January 27, 1969

RAILWAY AGE

THE TRANSPORTATION WEEKLY

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Tomorrow's railroad will be a magnificent piece of transportation machinery. It

continued on page 29

TOMORROW'S RAILROADS No. 1

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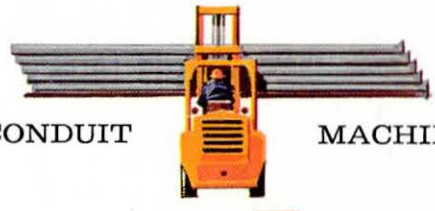

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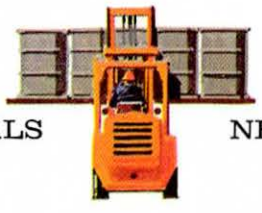

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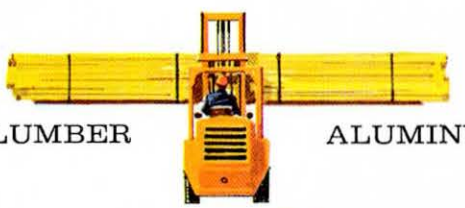

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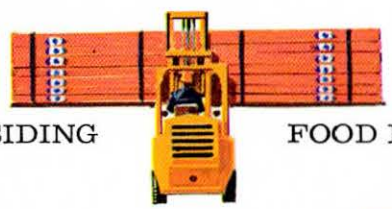

ALUMINUM SIDING

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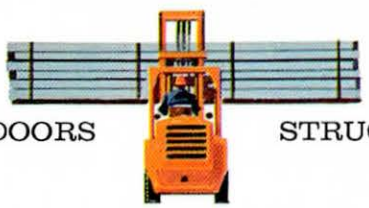
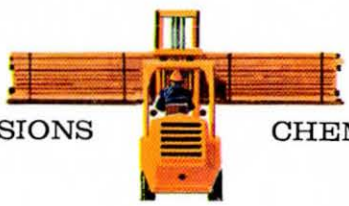


INDUSTRIAL DOORS



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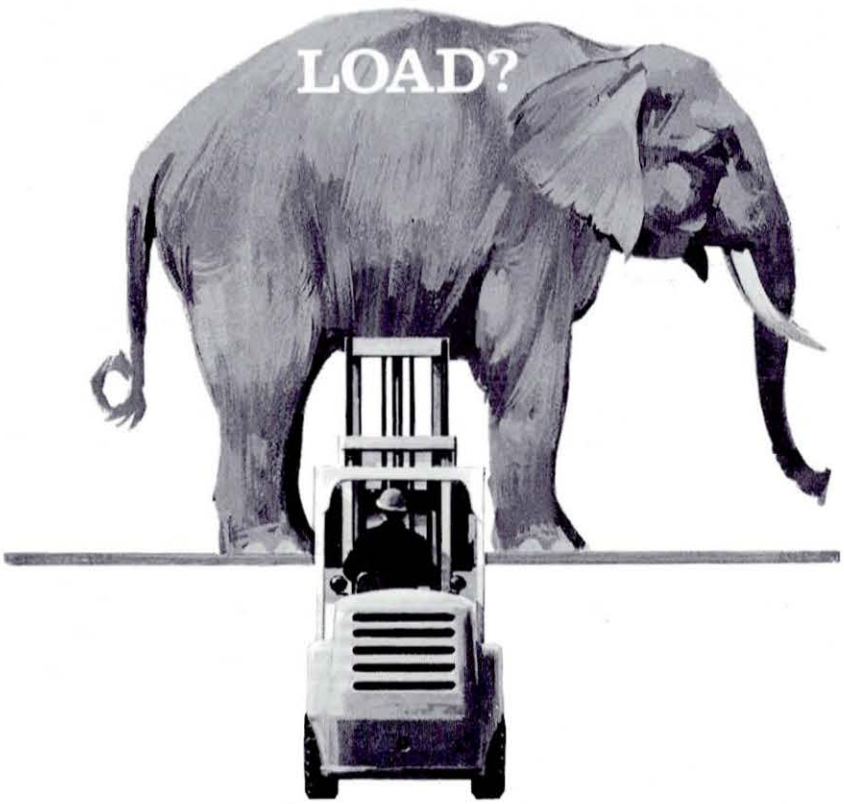

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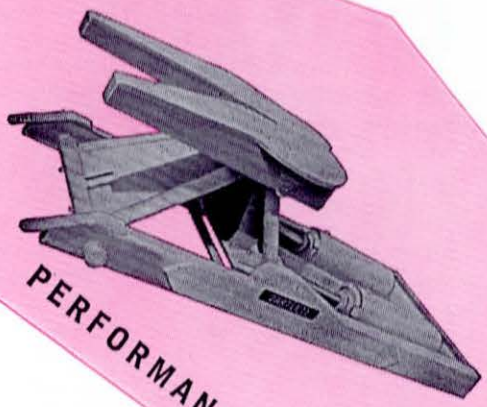

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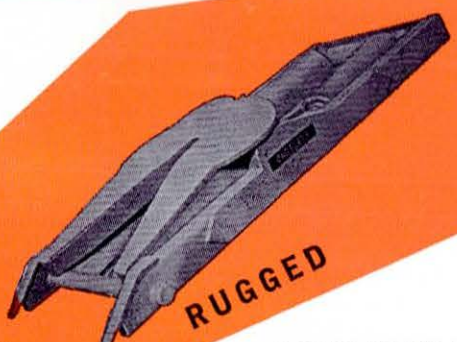

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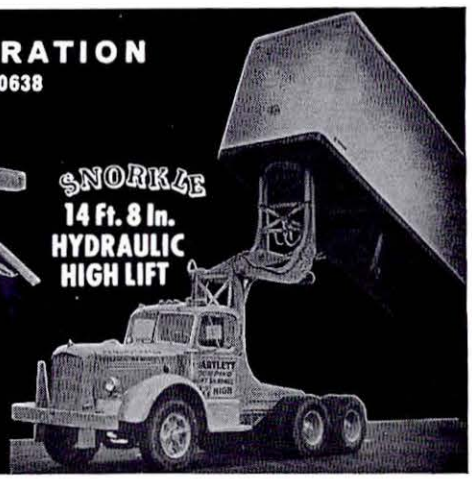

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FOR LIST OF SALES OFFICES SEE ADVERTISING INDEX PAGE

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TOMORROW'S RAILROADS: NO. 1

The first section of a 12-part Golden Spike Centennial Year series begins on the front cover.

21 Tobacco finds a friend in TOFC
Piggyback has returned to rails much truck-captured traffic.

23 NP moves potatoes in covered hoppers
They're being hauled in 10 ACF Center Flow Conditionaires.

24 Flatcar haulage cut this grocer's transport costs
Successful test may lead to using flatcars for other bulky products.

26 Traffic Poll: When railroads merge
Shippers cite the pluses—and some minuses.

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. . . AND COMING NEXT WEEK

The New York and New Jersey PATH transit system is getting a face lifting that will transform not only its major terminals, but will add some classy architecture to he sky line as well. The Feb. 3 Railway Age will describe the work in progress. Also, what's ahead for high-speed ground transportation? What kind of research into systems, conventional and exotic, is under way? The next issue takes a look at some of the preliminary studies.

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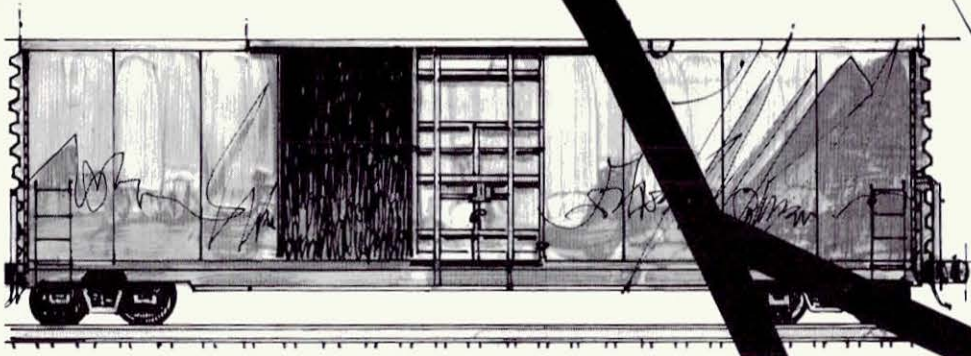

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SHORT AND SIGNIFICANT

N&W boosts capital spending to $117 million

Norfolk & Western has joined the growing list of railroads which have substantially increased their capital spending budgets for 1969. N&W expenditures will total $117 million this year—of which $97 million will go for new equipment. In 1968 N&W spent $75 million on capital improvements; equipment outlays totaled $57 million.

Buford to succeed Newell at Trailer Train

Curtis D. Buford, president of the Pittsburgh & Lake Erie, will succeed James E. Newell as president of Trailer Train, Inc., next March 16, it was announced last week. Newell had been vice president of operations of the Pennsylvania before joining Trailer Train shortly after it was founded to handle trailer-on-flat-car traffic. Buford has been president of the P&LE since January 1965.

U.S. Forces get record coal shipment

Increasing demands for hard coal by the Armed Forces in West Germany resulted in the largest shipment of anthracite ever to sail from the U.S. The record load of 29,712 net tons left Reading Company's Pier 18 in Port Richmond, Philadelphia, aboard the S.S. World Majesty, a ship owned by Trans Ocean Marine, Inc., of New York. The coal was transported to the pier in 488 cars from the Northeastern Pennsylvania region under a contract with Foreston Coal Export Corp. A. W. Nemenz, director of Coal Traffic for Reading Company, said the shipment raised the total amount of anthracite exported from Pier 18 for the year to 1,056,629 net tons compared to 840,620 net tons in 1967.

Canadian resources unit formed by UP

Union Pacific is setting up a subsidiary, Union Pacific Resources, Ltd., to conduct natural resources exploration operations in Canada. First venture by the new UP unit will be in partnership with Husky Oil Ltd., for oil and gas exploration and development in Canada's western provinces and in the Northwest and Yukon Territories.

Air spokesman has kind words for rail transit

Support for greater investment in rail rapid transit has come from the airline industry's chief spokesman. Stuart G. Tipton, president of the Air Transport Association, told a Los Angeles audience that commercial aviation should "take the initiative in promoting public transportation across the board." Patrons of public transport are being short-changed, charged Tipton, with $4.5 billion being spent annually on highways and only $175 million on mass transit and $65 million on airports.

Johnson budget would add 130 ICC jobs

The Interstate Commerce Commission, now 130 people short of its authorized 1,906 employees, will be able to close that gap under President Johnson's proposed 1970 budget. The budget contains an increase of $844,000 over the $25.5 million allocated for ICC in 1969. Of the total suggested increase, $356,400 would go for filling vacancies.

CB&Q's inquiry system gets a big play

Work, so it's said, expands to fill the time allotted for it, spending rises to match (or exceed) income— and better data systems produce more calls for the data they contain. That, at least, has been Burlington's experience with its computerized car-locating information system (RA, July 29, 1968, p. 39). Since the inquiry system was made available, the number of shipper inquiries received has doubled—and it's still climbing steadily. At this point, the data center in Chicago is handling up to 5,000 queries a day from customers checking in via telephone, TWX and Telex.

MONDAY MORNING REPORT

MR. VIETSCH SPEAKS HIS MIND

The views of Grant C. Vietsch, Railway Systems and Management Association president, have long been reflected in the programs he runs in Chicago. Now, in a paper for the 23rd Railway Management Institute in Washington, the Vietsch ideas come through loud and clear. He calls for change within rail ranks to meet "government bureaucracy, self-serving unions and capricious customers."

THINK OFFENSE, NOT DEFENSE

Though big government is hard to influence, the industry must keep pushing, Vietsch says. "I would hope to suggest that the railroads are an industry at slack tide, awaiting new currents from a direction not yet perceived. The AAR must be made a viable spokesman for the industry, or a new vehicle created to assume this function." Also, though unions are hard to influence because of empire-building leadership and a stockpile of bias, lore and precedents, the industry must keep pursuing their support. "I suggest that a major effort at the national level could very well be sparked by the Federal Railroad Administration," Vietsch says. FRA could seek a new formula for soothing labor-management relations.

THINK SERVICE, NOT COST

Just as hard to influence is the customer, but, paradoxically, he is the easiest to manage, Vietsch contends. "However, if there is anyone who believes that the sole concern of the shipper is cost, he is laboring under the most primitive concept of the distribution function. I believe the key to getting control of the shipper is service." Price is just part of it.

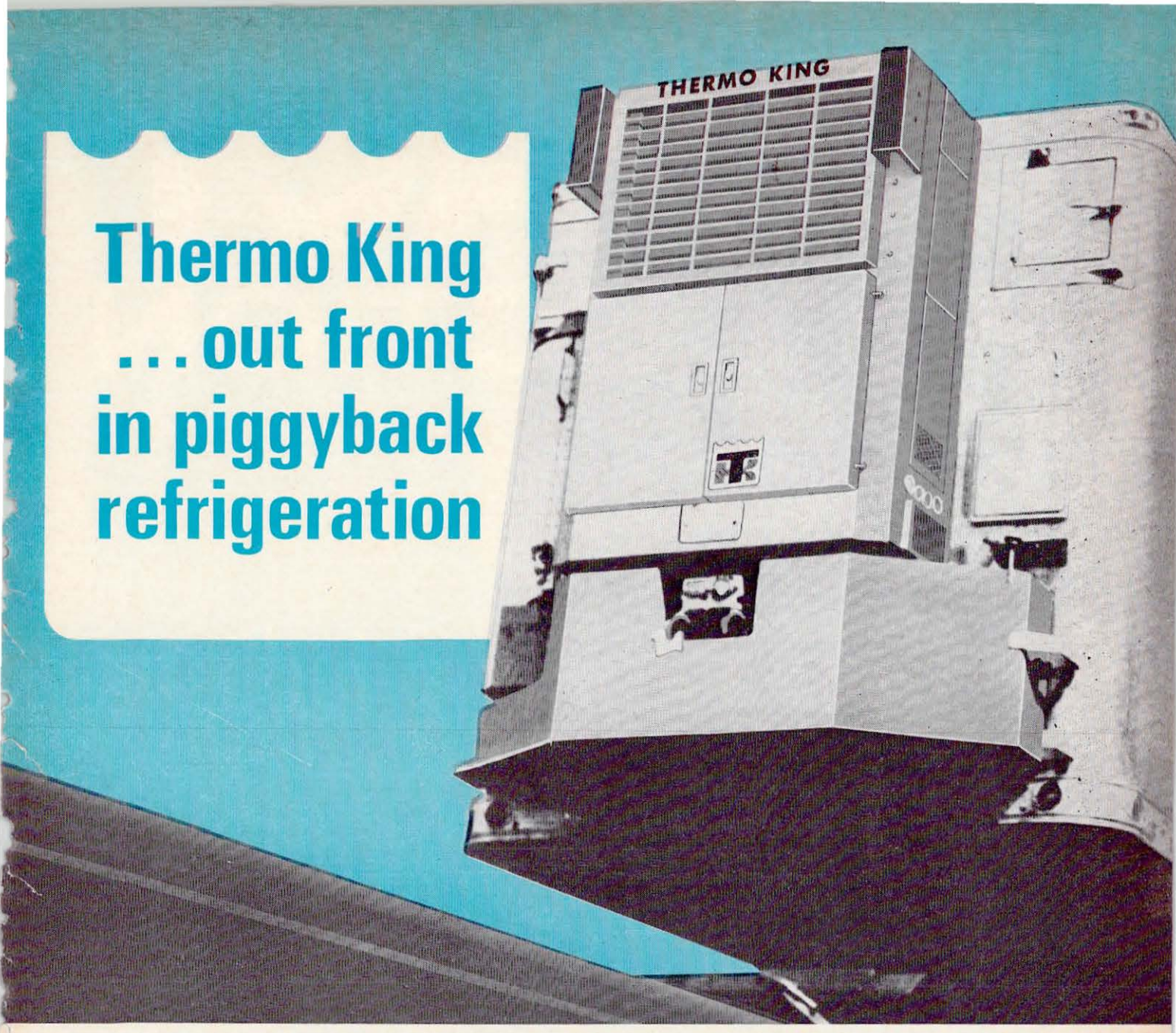
THINK PEOPLE, NOT COMPUTERS

Government, labor and customers will remain unmanageable without the right approach by rail executives. The first task is to spend more money and effort on humans through education and incentive. "I would suggest that railroad managements. . .are unwilling victims of what has been called the silent conquest, cybernation," Vietsch says. While he grants the value of information experts and management information systems, Vietsch cites the danger in letting them become ends in themselves.

PRESERVE THE RAIL RESOURCE

Vietsch's philosophy centers on the premise that, like forests, rivers and the Grand Canyon, railroads are a national resource. "But in their struggle to keep their organizations alive, few railroad managers have been able to give this more than a passing thought; nor has anyone in government." The presence of this resource, Vietsch concludes, is the basis of the nation's success in the marketplace and on the battlefield.

Thermo King ...out front in piggyback refrigeration



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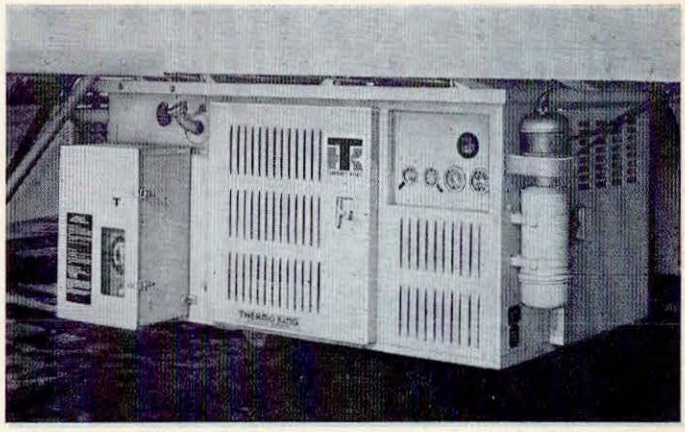

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RAILWAY AGE
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January 27, 1969

WEEK AT A GLANCE

C&NW places another commuter-car order with Pullman

For the fifth straight year, Chicago & North Western is adding to its bi-level suburban-service car fleet. For 1969, the order is for eight coaches; the cost is about $1.5 million. Pullman-Standard will deliver the cars next fall. As of the end of '68, North Western was carrying more than 90,000 riders each weekday. For the year, rider volume hit 25 million, up 34% from the total in 1961, the year in which the road completely modernized its service. During the post-modernization period, the car fleet has been increased by about 37%—to the point where the number of seats available actually exceeds the number of riders.

Northwest plans offer for B. F. Goodrich

Northwest Industries, parent of Chicago & North Western, is planning a tender offer which could lead to its acquiring B. F. Goodrich Co. A registration statement will be filed with the SEC covering the securities to be offered in exchange for Goodrich shares. Both the authorization of additional securities for this acquisition, and a proposed three-for-one split of Northwest common are to be considered at a special stockholders meeting.

William B. Johnson

Illinois Central fields a new team: Alan Boyd and Bill Johnson

Alan S. Boyd

Three hours after John A. Volpe was sworn in as the second secretary of the Department of Transportation, the first secretary of DOT—Alan S. Boyd—made some equally big news: He announced that he was joining the Illinois Central Railroad as president, effective April 1.

William B. Johnson, IC's president, will become chairman and chief executive officer of the IC. He will also head up diversified Illinois Central Industries (whose biggest acquisition to date has been Abex Corp.).

Boyd was actually elected to the IC post (at a salary of $75,000 plus $20,000 deferred compensation plus a stock option plan still being worked out) at a directors' meeting Jan. 17.

But Bill Johnson saved the announcement for a Jan. 22 press conference in Pittsburgh.

Answering questions posed by some of the country's top business writers, Johnson made these points:

(1) He has strong feelings that railroads must operate as a national system—not merely as geographical entities. He is especially interested in greater freight car utilization.

(2) He is "not opposed" to the common ownership idea (i.e., ownership or control of one mode of transport by another). He feels the shipper "doesn't give a hoot" how his freight arrives—as long as it arrives on time and in good condition.

(3) Boyd hopes to be able, as a comparative newcomer to the industry, to help mend labor-management fences.

GUS WELTY

LINES ON LABOR

THE WIZARD OF OOZE, they sometimes call him, this tousle-haired marigold-fancier from Illinois who leads the Republicans in the U.S. Senate. Everett McKinley Dirksen might be regarded as a throwback to an earlier political era. Better he should be regarded as the best friend a number of Presidents ever had, and still—at 70-plus—very much a wielder of power and influence. In brief, when Sen. Dirksen drops a hint, it's often worth pouncing on.

JUST SUCH A HINT may have gone out to labor, to management and to the nation when the senator appeared Jan. 12 on NBC's Meet the Press. Edwin Newman introduced him, and Herb Kaplow of NBC News led off with the first question: "Senator, what legislation do you expect Mr. Nixon to propose?" From that point, the transcript ran like this: *Sen. Dirksen*—"There will probably be legislation in every basic field. That will be in health, education and welfare, in labor, because we have this unfinished strike problem with which we tried to deal before and failed to do so." *Mr. Kaplow*—"You are talking about the public area, the area of public employees." *Sen. Dirksen*—"That is right; well, not necessarily. I am thinking back now to the machinists' strike and to the dockers' strike and some of the other strikes that have fairly paralyzed the nation. I think we are going to have to have over-all strike legislation of some kind in order to meet that type of emergency."

RAILROADS WERE NOT MENTIONED specifically, and it wasn't clear whether the senator was thinking of airline-mechanic machinists or rail-shopcraft machinists. He didn't refer to the 101-day strike of the Belt Railway of Chicago, or the continuing hassle with the train-service organization, or the impasse over the fireman question. All he did was drop a hint—fleshed out with the additional comment that while he hadn't talked to Mr. Nixon about the situation, he would guess that "from our deliberations and from what we have said in the platform . . . obviously this will be a field of activity for the Congress."

AS MINORITY LEADER, the senator sometimes swings more as if he were majority leader. But in point of fact, the new Congress may well be considerably more conservative than a mere reading of party labels would indicate. This won't hurt the standing of the senior senator from Illinois one bit. If he says labor legislation will be a "field of activity," believe it. The hint—perhaps even the warning—is there.

Railroads get short-changed at DOT—again

Although President Johnson's recommended 1970 budget includes a substantial increase for the Department of Transportation, rail matters come out short. The Department would get an extra $522 million, one of the biggest proposed increases in a budget that calls for several departmental reductions. Of that amount, however, just $4,680,000 would go to the Federal Railroad Administration.

Since FRA's 1969 budget is $18.6 million, the suggested increase actually is considerable—about 25%. Compared with other transport allocations, however, it is small. The Federal Aviation Administration, for example, would get an extra $74 million to add to its current $933 million. FAA, among other things, wants to add 4,450 jobs. The Railroad Administration is asking for 45 new positions.

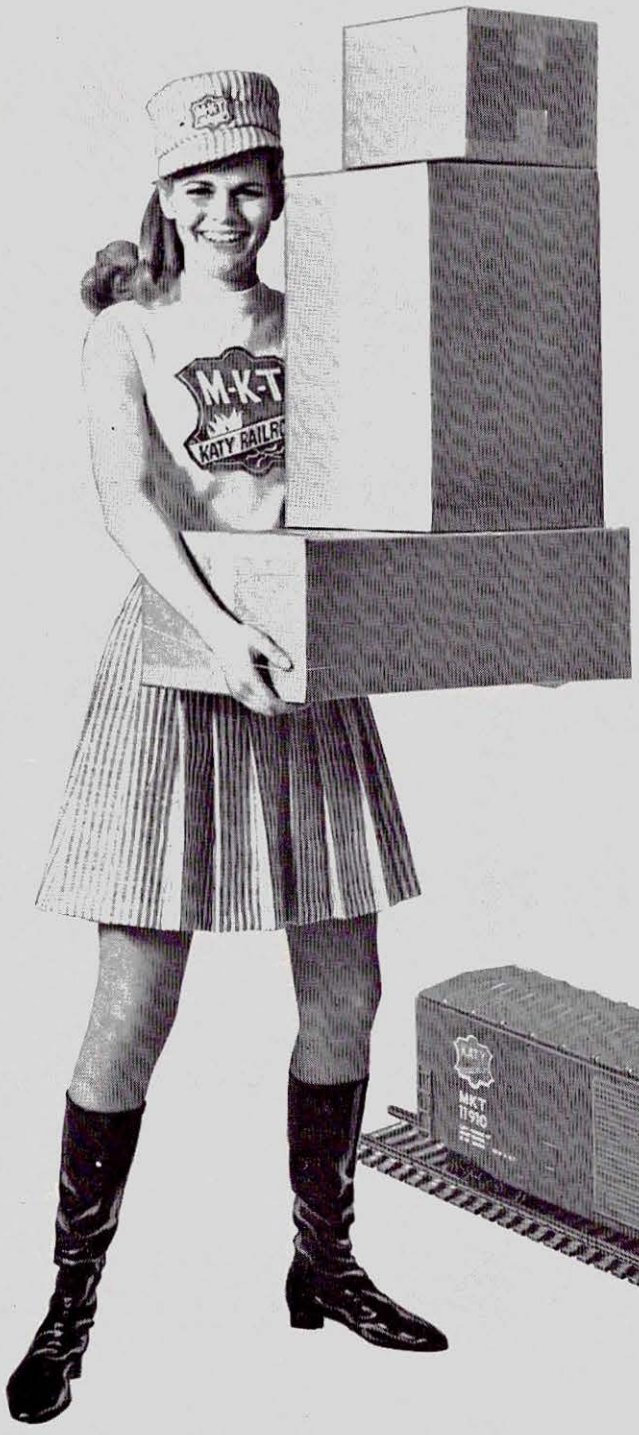
A breakdown of FRA money requests includes: $17 million for high-speed experiments, or $4 million more than 1969; $500,000 for research, compared with $300,000 now, $4.5 million for the Bureau of Railroad Safety, compared with $3.8 million in 1969; and $1.3 million for the Administrator's office, compared with $900,000.

BLF&E, BRT cases hit a slowdown

The pace slowed noticeably last week in major rail-labor disputes involving the Brotherhod of Locomotive Firemen & Enginemen and the Brotherhod of Railroad Trainmen.

—In Cleveland, BLF&E officers were still pondering a proffer of arbitration in the fireman-manning dispute. The railroads, through the National Railway Labor Conference, had previously announced their acceptance of binding, third-party decision in the case.

—In Nashville, court hearings on a restraining order barring the BRT from striking Louisville & Nashville spilled over into a second day, and there was no firm indication as to whether an immediate ruling would be made. L&N obtained a temporary order Jan. 13 to halt a walkout, and it was expected that this order would remain in force until such time as a decision was ready. The strike, on the crew-consist issue, came at the end of a 30-day period following Emergency Board 172's report.



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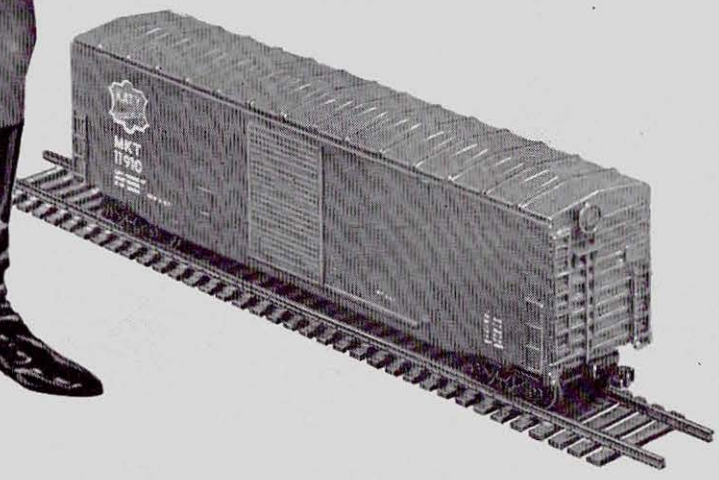

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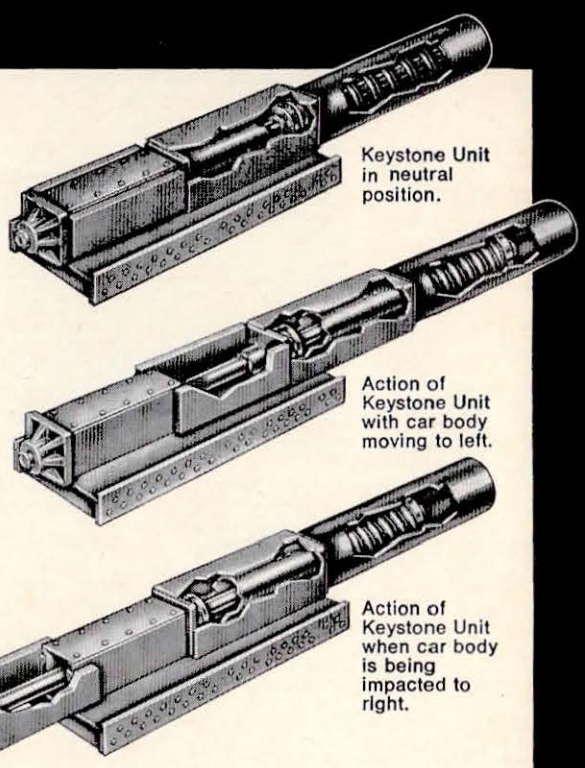

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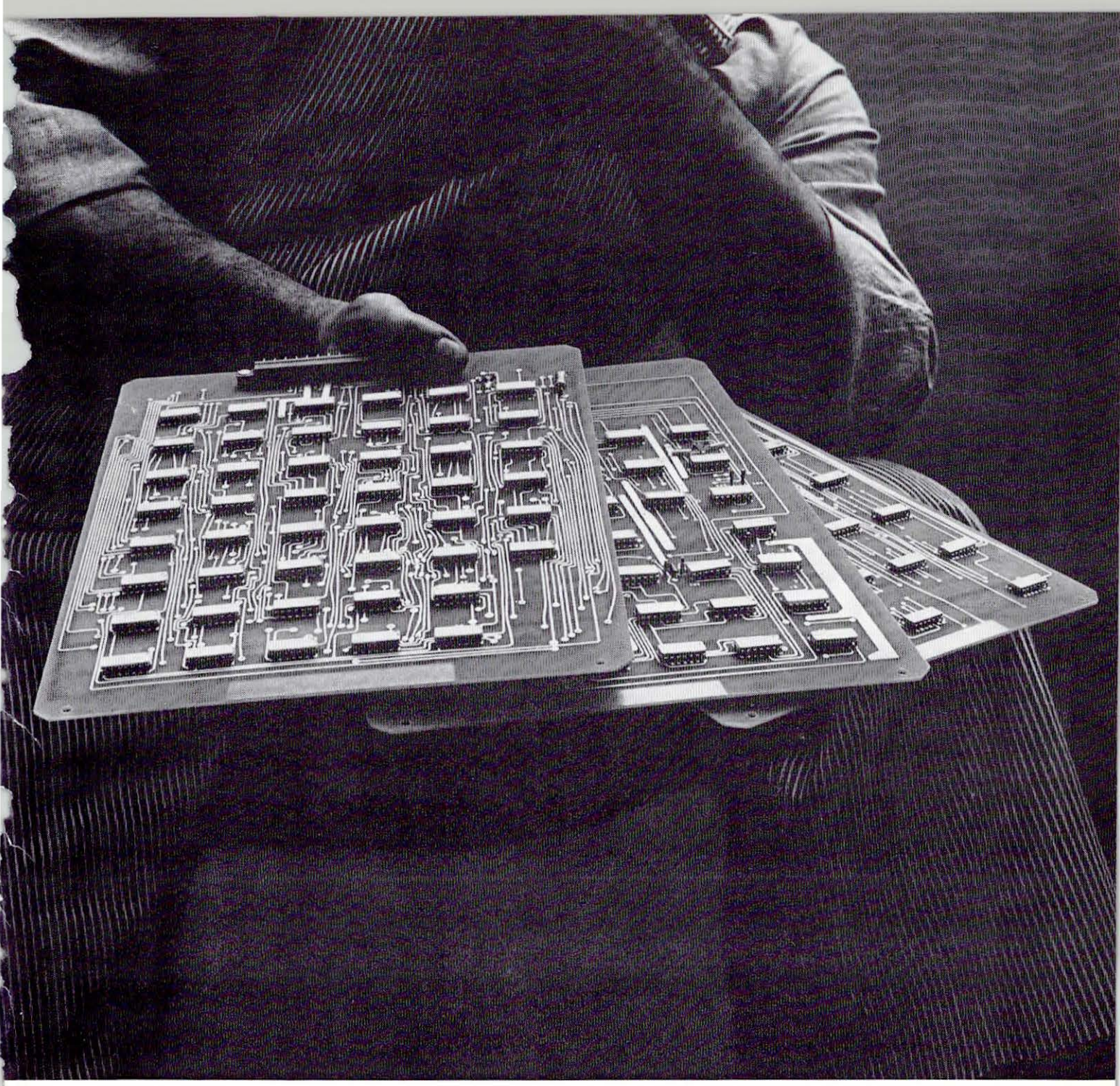

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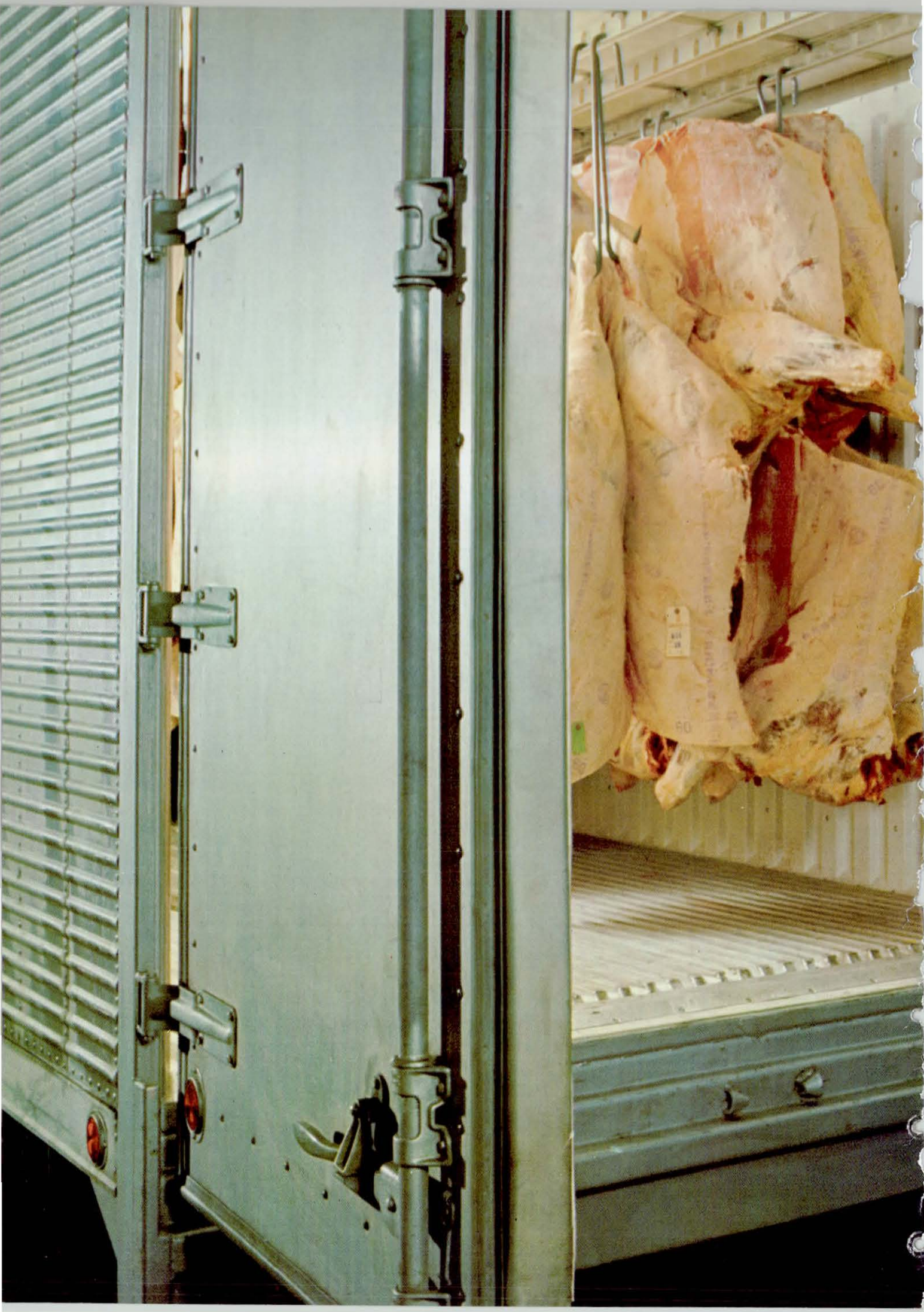

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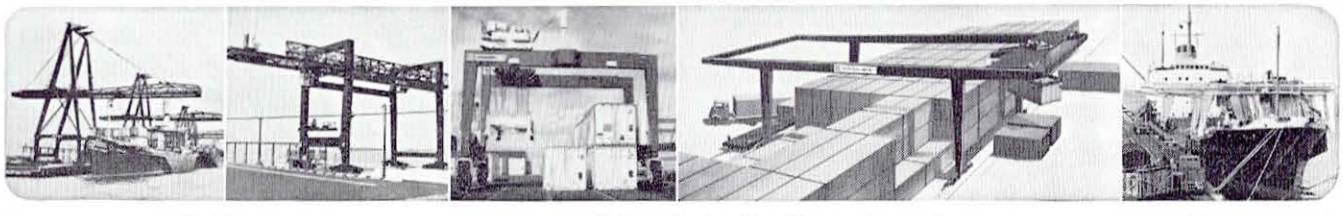


Portainers **Rubber Tired and Rail Mounted Transtainers** **Shipstainers**

Tobacco finds a friend in TOFC

Piggyback, says the Export Leaf Tobacco Co. traffic manager, has restored to rails much traffic that had gone to trucks.

The Export Leaf Tobacco Co., Richmond, Va., deals exclusively in U.S. tobacco for export to cigarette manufacturers and makers of other tobacco consumer products all over the world. The firm's traffic manager, Luther Glass, educated as an attorney, is an authority in the complicated business of transporting tobacco from the field to the processing plants and thence to port warehouses or directly to ships. Interviewed in Richmond by Railway Age Contributing Editor Charles Layng, Mr. Glass had some cogent thoughts about handling tobacco from field to plant to port.

Q. Mr. Glass, how big is the Export Leaf Tobacco Co.

A. Our tonnage figures are classified, but I may say that the firm is the largest exclusively export tobacco company in the country. During the height of the season, for instance, we may be loading anywhere from 25 to 100 box cars at this one plant on any given day, plus numerous piggyback trailers, plus a number of highway trailers.

Q. Which form of transportation do you prefer?

A. We like the railroads, if they'd just stop raising their rates.

Q. What type of product does your company offer for transportation?

A. Tobacco exclusively, in various forms, up to but not including the finished product. We buy at and ship from tobacco markets all over the Southeast—from northern Florida up to Kentucky, West Virginia and Maryland. The tobacco is then shipped to one of our several processing plants, where it is re-dried, re-packed and the stems removed.

Q. Is this movement seasonal?

A. The movement to the processing plants from the markets is highly seasonal, lasting about six months out of each year. About the end of July, the crop begins moving north from northern Florida and the movement continues throughout the rest of the summer, moving upward through Georgia and the Carolinas. Kentucky and West Virginia ship during the fall, the last movements taking place just before Christmas. Then there's a gap until the comparatively small Maryland crop moves in April.

Q. In what form is this market-to-processing-plant tobacco shipped?

A. It moves in leaf form—held between 96-in.-square burlap sheets for the longer distances and packed in hogsheads for shorter distances.

Q. What happens to the tobacco after it has been processed?

A. It may be kept in our plant warehouses, or it may be shipped to port warehouses to wait for ships, or, upon occasion, if a ship is available, it may move directly to this ship from the plant. In any event it is all destined for ports, as our entire product goes abroad.

Q. Does the movement from the plants to the ports go by rail?

A. At present—yes. The railways have put in storage-in-transit arrangements that we can live with and under which we can maintain an orderly flow of traffic to the port warehouses.

Q. What ports do you use?

A. We use the Hampton Roads ports exclusively [Norfolk, Portsmouth, Newport News].

Q. I note you say the movement is by rail "at present." Why do you qualify it like that?

A. Because the packaging of tobacco for export is undergoing drastic changes and we haven't yet got together with the railroads to work out the necessary rates that such changes will involve. We expect to do this about the first of the year and, hopefully, we can work things out then.

Q. What are these changes?

A. We have been using "reusable" wooden crates, which, with repairs, have been lasting about three round trips overseas and back. However, since we have to pay freight on the returned empty crates, this can be expensive. For this reason, we are going to pulpboard cartons, to be loaded into containers for overseas shipment. We'll be meeting with the railroads to establish rates for this new type of shipping soon.

Q. What about the relative strength of the wooden versus the pulpboard crates?

A. We had a perfect object lesson in this regard when tobacco in both wooden and pulpboard cartons in the same car went through a derailment. The wooden cartons were broken apart and there was a good deal of damage to the tobacco because of its being torn apart. In the pulpboard cartons, the tobacco was simply mashed down and not harmed. The pulpboard cartons, by the way, are amounting to a considerable freight bonus for the railways. They come in to us empty by the carload from the various paper mills.

Q. I note a number of box cars on your sidings. Do you prefer this method of receiving and shipping?

A. We like box cars in these days of recurrent car shortages, so that we can have empties at our disposal at all times for outbound loading.

Q. Does piggyback service have a place in the tobacco transportation picture?

A. Most definitely. As a matter of fact, it has brought back a lot of traffic to the railways that had been lost to highway trucks. Originally, all tobacco markets were, of necessity, geared to railroad transportation and had the necessary rail facilities. However, the new markets in recent years have frequently been built without rail access and the tobacco was moving from these exclusively all-highway. Piggyback service has opened such new markets to rail service for us.

Q. What advantages do you obtain from this return to the rails?

A. One advantage is speed. The piggyback schedules have been set up by the railroads in our territory for

Frank Malone

WATCHING WASHINGTON

VOLPE ON RAILS— Anyone wondering what John A. Volpe, new Transportation Secretary, thinks about railroads will be interested in his words to the Senate Commerce Committee.

KNOW THE PROBLEMS— Recalling that he was a Boston & Maine director for three years, Volpe says he got a chance to "learn of many railroad problems." As president of the Boston Chamber of Commerce, he was a "leader in the fight for continuation of railroad service." As Massachusetts governor, he found rail problems "very much a part of his responsibility."

MASS TRANSIT ADVOCATE— The railroad problems he got to know concern urban transit mainly. He claims a "great deal to do with" development of the Metropolitan Boston Transit Authority. From that, he says, he sees the need for, and he urges expansion of, rapid transit to cure core city problems and avoid traffic strangulation. "It has been shown that you can build 12-lane highways and still have congestion. So I am a firm believer, and that is why in Massachusetts we have spent and are spending considerable millions . . . to further expand our rapid transit system."

HIGH-SPEED INTERCITY, TOO— To meet transport needs, fast rail service between major cities is required, as well as good roads and rapid transit, Volpe says. "I am convinced that highways alone will just not do the job." Fast trains trains are one of his objectives. "I think we have got to think in terms of high-speed ground transportation. This is in no way to diminish the need for the airlines. I think we are going to need all forms of transportation, a balanced, coordinated transportation program." That's squarely in line with his predecessor, Alan S. Boyd, and, regarding "coordination," in line with the 1968 GOP platform.

OTHER SUBJECTS— These words on railroads wind through talk about other matters, including his stockholdings (among others, $500 of Baltimore Transit), airport problems (trust fund may be the answer), interstate highways (should be speeded up), two public hearings for federal road projects (okay), Boyd's plan to buy ships from foreign builders the St. Lawrence Seaway (will do what's necessary), DOT (great deal to do in building up its reputation), conflict of interest with his construction company (it will operate under a new name, and, anyway: "My firm has not built one single mile of highway."

other commodities than tobacco, but, of course, we derive the same benefit as everybody else. For example, we can load trailers at the Waycross, Ga., market on Monday afternoon and they'll be here in Richmond Tueday afternoon, ready for early Wednesday morning unloading. Comparable schedules are available from other markets to our processing plants. From Waycross to Richmond, the rail distance is over 600 miles and that's certainly fast service.

Q. Do you have occasions when such service is virtually a necessity?

A. We frequently do and since it takes a box car four or five days to make the trip, we make a good deal of use of the piggyback schedules.

Q. Are the rates satisfactory?

A. Of course we always think rates should be lower, but, in this case, the economics are satisfactory, since we always "marry" trailers, so as to take advantage of the minimum rate for shipments of 25,000 lb or more.

Q. What about future transportation?

A. Much more of our tobacco will be moving overseas via metal containers in the next shipping season, in pulpboard packages from the processing plants. This season, we found cars and trucks for tobacco haulage in short supply. We very much do not want to go into the transportation business ourselves, but we may have to, in self-defense, if we are unable to obtain cars and trucks in which to make our shipments when we want to make them.

Q. Where will the movement take place?

A. We buy at 27 markets between north Florida and Maryland. The unprocessed tobacco will move from these markets to our several processing plants. Last year, we confined our operations to our plants at Wilson, Winston-Salem and here at Richmond, but we may open other processing plants next year. The movement in pulpboard packages for overseas shipment in containers will increase materially. We hope that our meetings with the railroads will be fruitful in producing a rate structure that will be satisfactory. We hope also that our transportation suppliers will be able to furnish enough cars and trucks so that we don't have to add haulage to our tobacco business. ■

FOAM-INSULATED covered hopper with mechanical temperature control system can be used to haul non-perishable ladings.

Covered hoppers carry potatoes

Ten ACF Center Flow Conditionaires mark a new approach to the handling of perishables; builder sees wide application.

Evolution from bag shipment in box cars to bulk handling in covered hoppers has been under way for well over a decade. From cement, the list of covered-hopper ladings quickly expanded to flour, sugar, grain, plastics and fertilizers. Now potatoes have been added to the list.

Northern Pacific has put in potato service ten insulated covered hopper cars, each fitted with a mechanical cooling and heating system. The concept and the car were developed by ACF Industries. And ACF marketing specialists see the application possibilities for the Conditionaire, as it has been named, extending to many perishables other than potatoes.

● **Greater payload.** John S. Carlson, ACF vice president and general manager of its Shippers Car Line Division recently speculated that lettuce, carrots, onions, oranges and lemons could be moved in covered hoppers. And, he added, "there is great economic benefit to be gained by shipping perishables in larger cars." The 180,000-pound payload of the Conditionaire is more than three times that of the insulated and ice-bunker refrigerator cars used in potato service.

The Conditionaire is a basic 4,600-cubic-foot steel Center Flow car with an exterior coat of polyurethane foam insulation and the temperature control equipment normally used on conventional mechanical refrigerator cars. Among its features are:

—Precise, self-contained temperature and humidity control to maintain product quality;

—Fast loading and unloading;

—Versatility in carrying commodities other than perishables.

● **Major market.** "Marketing studies at the ACF Technical Center at St. Charles, Mo., where the car was designed, showed that the national potato crop is a major source of rail traffic," explains Carlson. "There are 3.5 million tons of potaoes moved by rail annually, more than any other perishable product."

ACF first experimented with its prototype in cooperation with NP and Frito-Lay, Inc., a major producer of potato chips. On its runs from the Red River country of Minnesota and North Dakota to the Frito-Lay plant at Baton Rouge, La., all participants were impressed with the car's ability to maintain product quality.

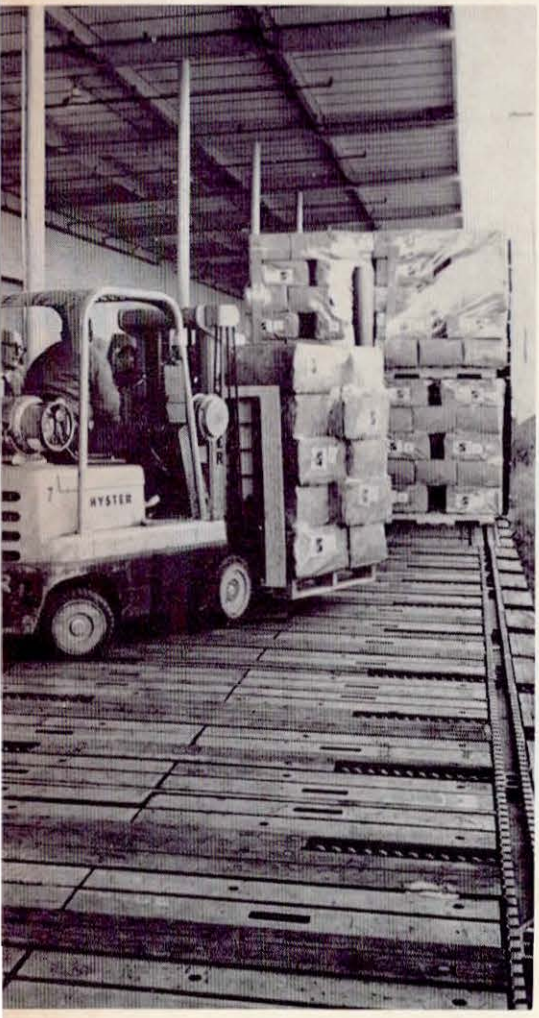
There was an added advantage. By holding the lading temperature at 60 degrees, rather than the 40 degrees required for storage, the potatoes were "cured" in transit so that they were immediately available for processing into chips, eliminating one of the time-consuming plant operations. In addition, it was found, loading and unloading proved significantly faster than had ever been possible with conventional cars.

● **Easier cleaning.** From a railroad standpoint, the car proved to be easier to clean than other types. Dirt, which clings to potatoes, can represent 5% of a load's gross weight. It is this dirt which has complicated the operation of some potato cars having integral conveyor systems.

Since internally the Conditionaire is a conventional steel car, it is adaptable to handling many bulk commodities which are not in the perishable classification. "Although specifically designed to handle perishables," says Carlson, "the Center Flow Conditionaire can handle any product transported by covered hopper cars. This enables it to carry many varieties of products on a return haul and also allows it to be put to work in the off-season."

● **Temperature control.** Under the slope sheet at the car's B end is the temperature-control equipment. A diesel-alternator unit drives the heating and cooling equipment. Air drawn off the top of the load passes through an evaporator/heater section where it is brought to the pre-set temperature and dehumidified. A high-pressure fan then moves it through the car's hollow side sills and into the bottom of each of the three hoppers. It is then forced uniformly upward through the lading ■

LOAD OF GROCERY SACKS (above) for Jewel Food Stores starts its 940-mile trip to Chicago. Below, pallets of the sacks are being loaded onto the moveable-bulkhead flatcar, which was manufactured by the Evans Products Co.



Flatcar haulage cut this grocer's transport costs

A successful test shipment of grocery bags points way toward the use of flatcars for many other space-consuming products.

Methods of shipping bulky grocery products are being revolutionized. A first move in the revolution was made recently by Jewel Companies, Chicago, when it received a flatcar load of grocery sacks from a Richmond, Va., paper company.

The 97,500-lb shipment was made by Consumer Bag & Packaging Co. The 750,000 1/6-barrel sacks were loaded on 60 pallets, 25 bales on a pallet, and 500 sacks to a bale. They were protected from the elements by plastic shrink film. Each pallet load was covered tightly with Reynolon PVC (polyvinyl chloride) film that had been heat-shrunk on wrapping machinery designed by and manufactured for Reynolds Metals Co., which also made the plastic film.

● **For other products, too.** Originator of the idea of shipping grocery bags by flatcar is Frank Spreyer, executive vice president of Jewel Food Stores. The shipment, he said, was the beginning of a new trend that Jewel had wanted to start for years.

"We have proved our point with this load of grocery bags," Spreyer said. "Now we believe that other space-consuming items such as cereals, detergents and paper products can be shipped the same way. There is nothing as tricky to ship as grocery bags. They are soft and spongy and the bales are not always completely uniform and therefore do not stack as well as other squared-off packages. If we can do it with grocery bags, we should be able to do it even better with other bulky products."

The 60 pallets were secured on the flatcar by 16 straps of polyester webbing. Standard equipment used in tying down building products on flatcars was adapted for shipment. A torque wrench was used to get balanced tension on both sides of the load.

The 940 miles from Richmond to Jewel's warehouse in the Chicago suburb of Melrose Park were covered without incident. There was no shifting of pallets or tearing of the plastic film. The pallets were still so well protected that several of them were stored outside the warehouse on a concrete slab to test their exposure to the elements over a period of time.

● **Greater payload.** Spreyer listed many reasons for using flatcars rather than box cars for shipping some grocery products. Payloads, he said, can be

considerably greater on flatcars, resulting in lower shipping costs. Flatcars can be loaded more efficiently because they permit economical use of pallet loads. He said flatcars—costing the same or cheaper than box cars presently used—can be loaded and unloaded more quickly. They can also be loaded and unloaded from ground level, while box cars require a dock. Flatcars require less maintenance, and therefore have less downtime, because there are no doors, walls or ceilings to damage.

Comparing the flatcar load of grocery sacks with a normal box car shipment, Spreyer said the payload was increased some 44%, although the flatcar was only about 16% larger than the box car. All the space on the flatcar was not utilized in the test shipment.

In a normal 50½-ft box car, 67,600 pounds of 1/6-barrel Jewel grocery sacks are shipped. There would be 520,000 bags in the car. An estimated 2,400 pounds of air also would be shipped—near the ceiling of the car. By contrast, the flatcar shipment was 97,500 pounds (750,000 grocery sacks).

● **Protecting the lading.** The flatcar used is 58½ ft long, but Spreyer said the test shipment did not use the entire length. "We were more concerned with proper protection than with full utilization of space on this run. We could have moved one bulkhead back a few feet and stacked on another four pallets. That would have increased our shipment to 800,000 sacks, or 104,000 pounds. Our payload on the flat car would then have been about 54% greater than that of a box car."

Spreyer said Jewel and Consumer Bag had cooperated on a flatcar shipment of grocery bags four years ago. They agreed they were on the right track, but needed to refine the methods. "We used steel strapping and other tie-down equipment," he said, "and we used lumber at the corners instead of aluminum. Instead of wrapping each pallet with plastic film, we spread film over the entire carload and then topped it with a tarpaulin. We actually used too many materials and many of them were not right for our shipment."

● **Added costs negligible.** Spreyer said much had been learned from the experience of the first shipment and that proper tools had been found to do the job this time—and to do it inexpensively.

"Our extra costs are negligible now," Spreyer pointed out. "The plastic film for the entire shipment cost about $65, and the 60 pallets were wrapped in six hours. Thus, the cost of the film and the labor came to less than $100. Our savings on the shipment—bigger payload, faster loading and unloading, etc. —more than offset these extra costs." ■

LUTHER MILLER

AS THE EDITOR SEES IT

AN IDENTITY PROBLEM— As the conglomerate-makers press on, two profoundly disturbing questions are heard more and more: Are railroads truly in the transportation business? Or are they, more accurately, in the money business? Up until last week, the answers—when they came at all—were hardly satisfactory. Railroads pouring money into non-transport enterprises have responded to these questions with embarrassment, or irritation, or both. As a result, a lot of people have got the idea that some big railroads these days can't see beyond the next profit statement.

ENTER THE N&W— Now, Norfolk & Western has met the identity problem head-on—and the answer N&W provides is, we'd say, a pretty good one, so far as it goes. In full-page newspaper ads last week (and in the leading business and trade periodicals this week, including this issue of Railway Age, p. 47), N&W proclaims: "We think the business of a railroad is to concentrate on being one."

A SINGLE-MINDED JOB— Running a railroad these days, says N&W, can't be done "in splendid isolation. . .You diversify, to protect your operation through the peaks and valleys of the business cycle. . ." But when you put money into real estate, for example, doesn't that mean you're going to starve the railroad that started it all? Well, does $117 million sound like a starvation diet? That's what N&W will spend this year (the ad goes on to say). The ad could have said, also, that this is $42 million better than last year's railroad capital budget for N&W. The railroad's concluding message (and we're especially pleased that it will be read by the 10,000 shippers who will get this issue of Railway Age) is this: "Your business, we think, is going to be better. Because we are minding ours."

ONE STEP FURTHER— This won't, of course, quiet the furor over railroad conglomerate-making. Perhaps it shouldn't. Other questions remain and they need to be explained. For example: If it's so attractive to put money into non-railroad enterprises today, won't the smart businessman find it equally attractive to plow the profits back into non-railroad activities tomorrow? Not necessarily, we suggest. While railroads may be returning only 3% today, there is a pretty good chance that the return may go up to 10%—not tomorrow, but maybe the day after. So only the short-sighted railroadman will continue to settle for the, say, 7% generated by those non-railroad enterprises. This is not to say that we don't have some short-sighted railroad men. But the N&W crew doesn't appear to be among them. Other railroads may have as good a story to tell as the N&W. But few have told it quite as well.

TRAFFIC POLL

When railroads merge

What happens, from a shipper's point of view, when two or more railroads come together as one?

It all depends—upon who you are, where you are, and what you expected in the first place.

To E. M. Burk, traffic manager of the Wyatt Division of U.S. Industries, Inc., Houston, merger has meant better service and increased car supply. "Service has definitely improved," affirms Burk, replying to Railway Age's January traffic poll. And in many cases, he adds, "cars move further under one jurisdiction than formerly."

Not so happy is R. A. Stuart, assistant vice president—traffic & warehousing of Whitehall Laboratories, New York City: "Service is just as rotten as ever" (which indicates that Stuart wasn't a satisfied customer in the first place)."

Midway between these two extremes —and representative of a large number of replies to the January poll—is the comment of the manager of transportation and purchasing for a major steel and chemical company: "We have not yet benefited—but I remain very hopeful."

Probably the single most important point emerging from this month's poll is this: Despite all the grumbling over mergers that erupts periodically and predictably whenever industrial traffic managers get together, shippers are not fundamentally opposed to merger. Only one of 55 shippers responding to the January poll went on the record as being antimerger. Shippers do think, however, that the promised benefits are too long coming—and in some cases they experience an actual deterioration of service during the transition period.

As a New England shipper puts it: "In each case, so far, the shake-down cruise seems never ending."

● **Waiting for the Northerns.** Replies to the January poll do not lend themselves to tabulation. A number of those polled have not yet had substantive experience with mergers. Some, like E. J. Hanson of the Grand Forks (N.Dak.) Chamber of Commerce, say, "Ask me after the Northern lines merger is approved." Even among those who have had some experience with merged carriers, many feel incompetent to comment definitively during the shakedown period.

But nearly all have comments on pluses and minuses experienced during the long transition period.

● **The pluses.** Improved car supply ranks high on the list of benefits cited.

M. G. Smith, general traffic manager of Boyle-Midway, New York City, mentions "availability of more cars (DF type)," along with "more cooperation in rate matters." Smith expects future benefits from merger-generated economies.

Joseph A. Fredrick, traffic manager of the Warner Co., Philadelphia, sees an improvement in the quality of cars as a result of merger-induced car-upgrading programs.

Transitional problems cited by Perlman

"It is taking a yeoman job to get the physical plant and techniques of the two merged companies fully coordinated," says Penn Central President A. E. Perlman. "It disturbs us greatly when difficulties are encountered in this transitional period. We are concentrating heavily on problem areas and we are certain that improvements will be clearly evident in the coming months at an accelerating rate."

For Harry W. Deck, general manager of the central transportation department of Armstrong Cork Co., Lancaster, Pa., the acquisition of the Central of Georgia by the Southern has meant "tremendous improvement in service and availability of equipment." As for the larger mergers, Deck is among the many who feels that "it takes much too long for the merged lines to provide good service that should be one of the blessings of merger."

Dwight L. Koerber, executive secretary of the Coal Traffic Bureau, Pittsburgh, finds that "car supply and car service have improved for some shippers, depending upon which of the merged roads had previously served them."

"Improved railroad management" is a merger benefit cited by D. C. Smith, general traffic manager of Kraft Foods Co., Chicago, though Smith fears that bigness has led to some internal breakdowns among the carriers.

C. J. Bauhof, traffic manager of Warner & Swasey Co., Cleveland, finds that service has improved as a result of merger—specifically, he mentions improved communications.

W. G. Koplin, traffic manager of the Salt Lake Hardware Co., says his company has benefited "somewhat" through having fewer connecting carriers to deal with."

● **The minuses.** But for every shipper with a happy tale to tell, there is at least one who has yet to count his first blessings—and wonders how long he must wait.

Small shippers, especially, complain that they no longer get the individual attention they received in pre-merger days.

"It is difficult to locate responsible people in the merged company." complains Clifford Worth, general traffic manager, West Virginia Pulp & Paper, New York.

"It's hard to contract responsible management for help," echoes David H. Wetzel, general traffic manager, American Olean Tile Inc., Lansdale, Pa.

There are numerous complaints of poor tracing—especially involving Penn Central.

In summary: While shippers aren't anti-merger, they're anti-unkept-promises. At the very least, some railroads need to do some tall explaining.

"Piecemeal" mergers criticized in DOT study

In a limited sense, the Department of Transportation finally has moved into the rail merger picture, but with boldness. A staff study by the office of the assistant secretary for policy development and the Federal Railroad Administration says the Interstate Commerce Commission should take a wider view in regulating consolidations. ICC's piecemeal method is dangerous, the study says.

"The results of the rather random manner in which recent mergers have been proposed and approved are twofold. First, there has been no real overview of the public interest in rail mergers. Stated somewhat differently, the mergers proposed and approved were simply not the best of possible and more efficient alternatives. Second, the adversary process, far from resolving the merger issue in each case, has, if anything, created additional intra-industry conflict," the study says.

Criteria are recommended for settling the remaining Western merger situation, along with a discussion of four issues from which, the study says, such criteria spring. The study represents a limited DOT statement because it states that it does not "necessarily represent the views of the Department or of the Executive Branch."

● **Recommendations.** The criteria that the study suggests for future merger arrangements in the West include maintenance of competition, balance and financial strength, preservation of transcontinental interchange, logical connections with Eastern and Southern lines, and evidence to support tradeoffs among merger objectives such as cost savings and better market access.

The criteria, the study states, follow from examination of these issues: anticipated cost savings, competitive effects, financial balance of resulting systems, and linkage between major partners and among resulting systems. Analysis of these issues makes ICC-approved mergers appear poorly planned, and produces clear patterns for mergers to come, the study stys.

● **Linkage analysis.** The most important issue appears to be linkage. The study gives this more space than the others. "Traditional interchanges of traffic and existing capacities of connecting lines (as measured by existing freight densities, if nothing else) are appropriate guides to which lines should be allowed to merger," the report says, in explaining what the linkage issue is.

The primary task of regulatory policy is to determine which mergers will be conducive to great density, not just those that will produce large size, the study says. This greater density depends on (1) new traffic, (2) consolidation of existing routes and reduction of parallel trackage, or (3) abandonment of branch lines.

"New traffic can be the result of various kinds of mergers, particularly end-to-end mergers that divert traffic. Consolidation of main line routes requires parallel mergers that simultaneously reduce competition. Abandonment is an issue separate from merger . . . but it is possible that in a post-merger situation there would be pressure not to abandon . . . because of a public assumption that the merged system could more easily bear the financial burden of such trackage.

"Therefore, the impact of merger upon economies of density, quite distinct from its impact on economies or diseconomies of overall size, cannot be readily determined. Each merger is likely to have a different impact," the study concludes.

● **UP-Rock Island unsupported.** A further conclusion on the basis of linkage is that the UP-Rock Island proposal "as it presently stands" cannot be justified. "If, however, the Omaha-Denver line of Rock Island were to be sold to WP-D&RGW (or if WP-D&RGW were to be merged into Burlington Northern), and if suitable conditions protective of reasonable shares of the traffic of the Omaha-Chicago carriers were established, UP-Rock Island (northern part) is not an entirely indefensible merger.

"That is, to the extent UP can make its case for entrance to Chicago and St. Louis, and to the extent that the other systems are protected, Rock Island connections with UP are appropriate," the study says.

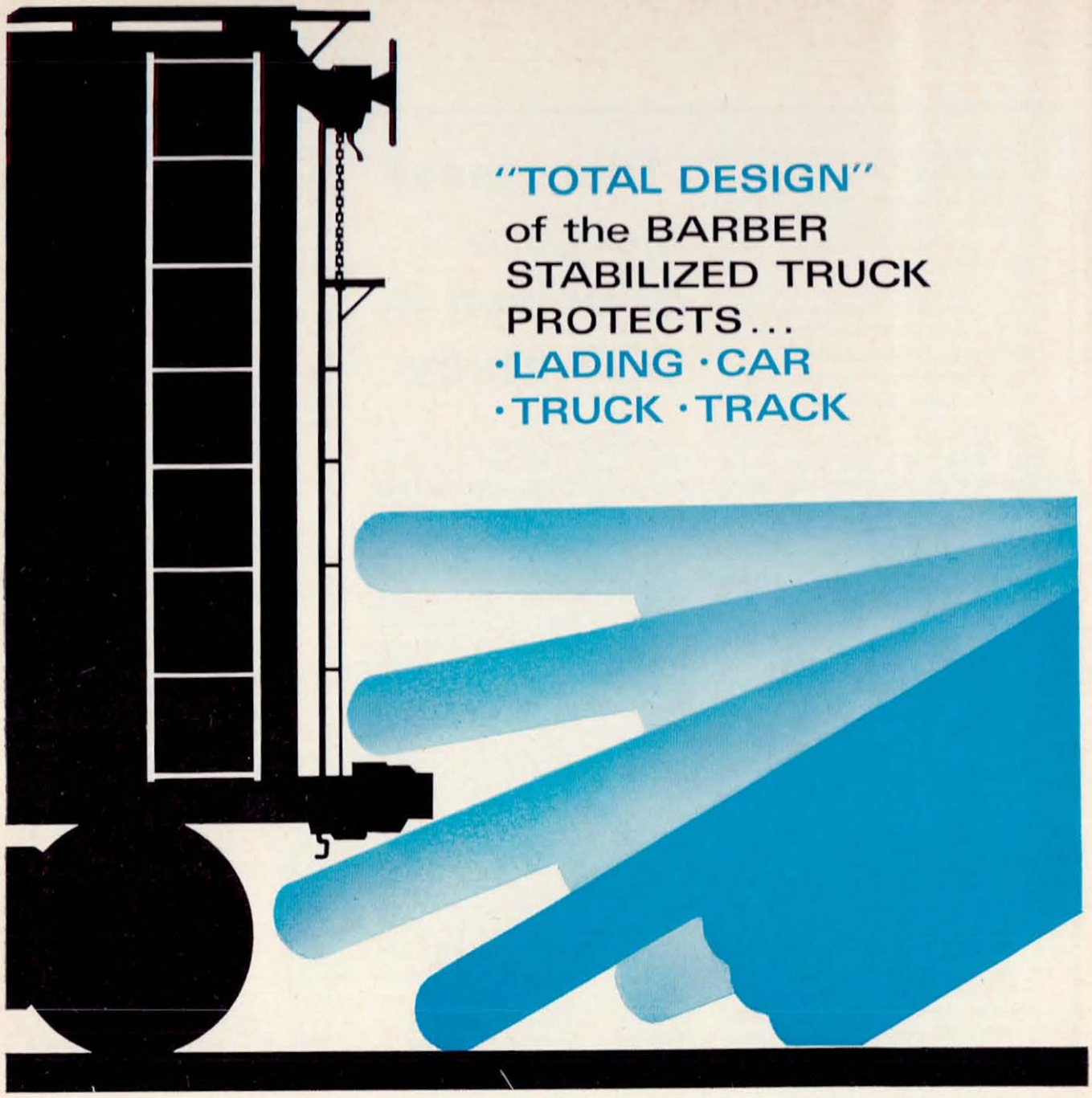
Regarding the cost saving issue, the report makes this summary: "The conclusion of the economic evidence is that the cost savings arguments for large railroad mergers have to be very largely discounted, and must be applied to individual cases with very great circumspection."

What that means, acording to the study, is that the worst savings have come from the big mergers. A chart of nine rail mergers shows that only for Louisville & Nashville-Nashville, Chattannoga & St. Louis are savings outstanding. The largest on the chart, Norfolk & Western-Nickel Plate-Wabash, produced savings that were below pre-merger forecasts.

● **One suggested merger.** The study presents six Western merger plans based on its criteria. One example includes those combinations: (1) Great Northern, Northern Pacific, Burlington, Spokane, Portland & Seattle, Colorado & Southern, Fort Worth & Denver, North Western, Rio Grande, Louisiana & Arkansas, Western Pacific, and Kansas City Southern; (2) Union Pacific, Milwaukee and Rock Island-northern; (3) Southern Pacific, Cotton Belt, Frisco, Missouri-Kansas-Texas, and the southern part of Rock Island; (4) Santa Fe, Missouri Pacific, and Texas & Pacific.

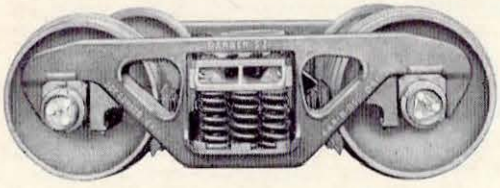
Combined 1967 revenues for each group are close: (1) $1.3 billion; (2) $944 million, (3) $1.2 billion; (4) $1 billion. Density, measured in gross ton miles is: (1) 5.7 million; (2) 8.1 million; (3) 9.6 million; (4) 9.3 million.

This arrangement, like five others presented, "Guards competition on each transmountain route, . . . provides good connections with Eastern and Southern District railroads, . . . has taken into account the issue of assignment of traffic density to lines in rough accordance with their capacity, . . . and represents an acceptable balance among systems," the study says.



"TOTAL DESIGN" of the BARBER STABILIZED TRUCK PROTECTS...

•LADING •CAR •TRUCK •TRACK



The heart of the "Total Design" system of the Barber Stabilized Truck is a device that absorbs destructive shocks and bouncing.

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RAILWAY AGE
THE TRANSPORTATION WEEKLY

TOMORROW'S RAILROADS

NO. 1

Beginning a 12-part exploration of what can and must be done to create the 21st century railroad. . . the 21st century transportation system

BY GUS WELTY

continued from cover

will not be super-railroad alone, but super-transportation in the broad sense.

Tomorrow's railroad will be all this—if. Tomorrow's railroad may not be much of anything at all—unless. There will be nothing "inevitable" about a climb to success or a slide toward failure. It's a matter of choice—a matter of decisions very soon to be made by men, both inside and outside the industry.

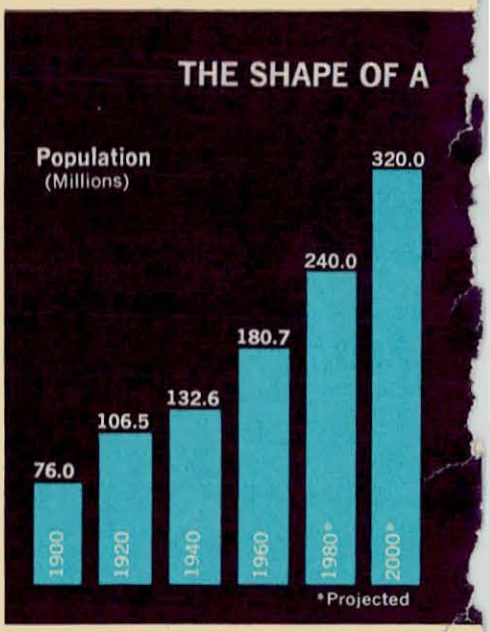
The transportation problem in the United States today would try the patience of Job and the wisdom of Solomon. It is a massive problem, complicated by lack of planning and a failure to recognize transportation for what it is—a single function which should be built around the ability-to-serve of the various elements which make up transportation.

What role is set up for tomorrow for what's known as a "railroad" today? Not much of a role, to judge from various professional and amateur soothsayings of the '60s. Railroads, it's said, are losing ground in today's economy and today's market. They can only fall farther back in tomorrow's world.

If today's railroads were to be transplanted into the world of tomorrow, bodily and without internal and external change, the predictions of the doomsayers would be accurate. The saving factor is change, both mental and physical, to put logic into the transportation equation and to bring that equation into balance.

What are the elements of the railroad problem, and the transportation problems? Who will have to do what, if transportation is to be a contributor to, not a detractor

from, economic and social growth? What will railroads have to do, and what will others have to do about railroads? In this Golden Spike Centennial year, marking the opening-up of a continent to growth, Railway Age undertakes a year-long exploration of these questions—these railroad needs, these transportation needs, these national requirements.

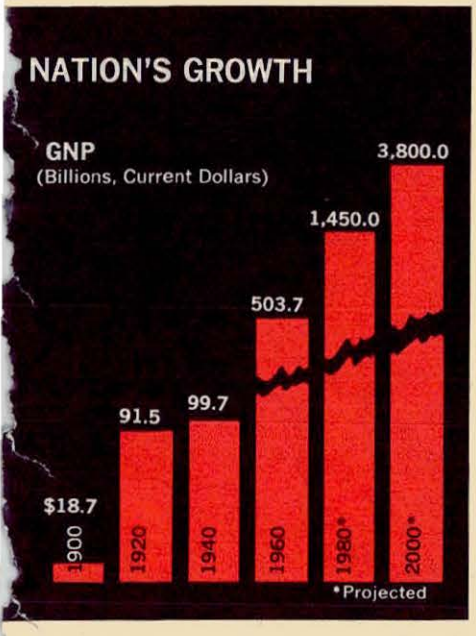


There will be certain fixed frameworks of reference. One is that transportation must become more of an entity, if it is to meet tomorrow's service demands. Another is that the transportation function will be far better served under private, corporate management than under government management. A third is that the railroad—even as now constituted—offers the best potential as the keystone for tomorrow's systems.

These elements make up the basic study of tomorrow's railroads, tomorrow's transportation:

- **Railroads need to know** far more than they do about the transportation market, about transportation demand, and about the kinds of service which can be successfully offered. Railroads are heavily dependent today upon certain key market areas. Some of these may well be lost tomorrow, to "competition" and to economic evolution in which some industries rise and others fall. The key word is "planning," and it means a lot more than merely the appointment of people to keep tabs on a given area of traffic solicitation.

- **With market** as well as operational considerations in mind, railroads and their suppliers need to take a fresh



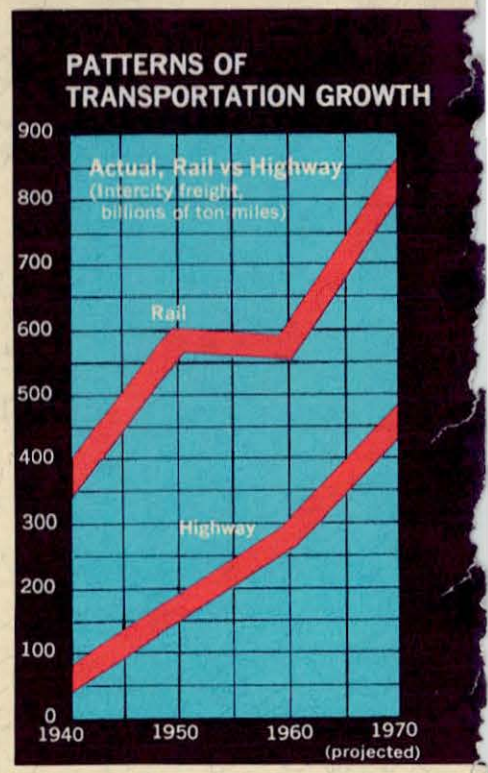
look at both the vehicle and the way it moves. Supplier research must be encouraged, at the cash register. Railroads must begin doing more of their own economic/technological R&D work, supplementing and complementing and cooperating with supplier efforts. Railroad marketing and equipment people must be planning at least as far ahead as their present and potential customers are.

- **In their multi-billion-dollar investment** in fixed plant, railroads have a primary network on which tomorrow's transportation should be based. Nothing can really compare with it as a national asset, not the Interstate Highway System, not the inland-waterways system, not the vast airport system which may eventually be built. But in key areas, the railroad plant is barely up to the demands of today. Consolidation, and some disinvestment, may be required. At the same time, plant improvement must be brought along, parallel with improved concepts in equipment and operation.

- **In operation,** today's railroad puts on quite a performance with what it has, much of the time. But the exceptions, the service failures, are still too numerous. They can be fatal. Product-quality control is partly a function of equipment, power, fixed-plant capability. It is equally a part of management's capability in translating top-level goals into middle- and lower-level activity.

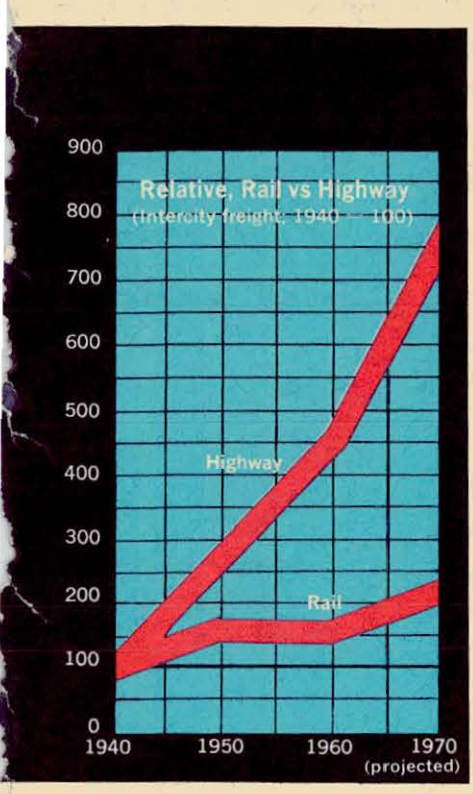
- **Management,** in any context, must improve its basic ability to manage. On tomorrow's railroad, there will

be no place for a "caretaker" theory of management, and no place for the kind of problem-response which involves producing more and more of a product which has proved less and less saleable in the transportation marketplace. Growth, of the kind envisioned for tomorrow's railroad, will demand an entrepreneurial management approach. In a way, the men who build tomorrow's railroads will be building something totally new. Because of that, the business of railroad management, or transportation management, may hold the greatest opportunities of all for men whose careers will be shaped during the last quarter of this century.



- **One of railroading's several vicious circles** has to do with the availability of capital. Excellence in transportation will not be cheaply bought. The degree of competence which railroads now have has been an expensive thing, with capital improvements in recent years amounting to as much as three times net income, and with rates-of-return on investment showing no particular or consistent improvement. Investor interest in rail securities, however, has held up. Whether it's a matter of confidence or one of speculation, money has been available. But for tomorrow? New methods of financing may have to be explored, by the industry itself and quite possibly by government.

- **While railroads move toward tomorrow,** so do motor carriers, air carriers, water carriers. Still, there is no discernible movement toward development of transpor-



tation systems. A railroad today is much as a railroad was 83 years ago when the Interstate Commerce Act was passed. Despite periodic statements about "national transportation policy," there is none, and the nation suffers as a result. Transport coordination is a sometime thing, true intermodal operation remains a dream. Even the richest of nations can afford to pay only so much—in terms of money, time and trouble—for the movement of its goods and the mobility of its population. As matters stand today, the price is rising, and rising.

● **Well over half of the nation's transportation bill** goes for the movement of people. Railroads are not major participants in the market, and the share of public attention they do get is all out of proportion to their importance. The '60s have been an agonizing period, in this area, and the agony may stretch into the early '70s. But at that point, when railroads are virtually out of the intercity passenger business as it's now known, a time for reappraisal must come. Reappraisal does not mean that there will be re-entry. It merely means that whole new marketing studies must be undertaken, with government playing an inevitable role.

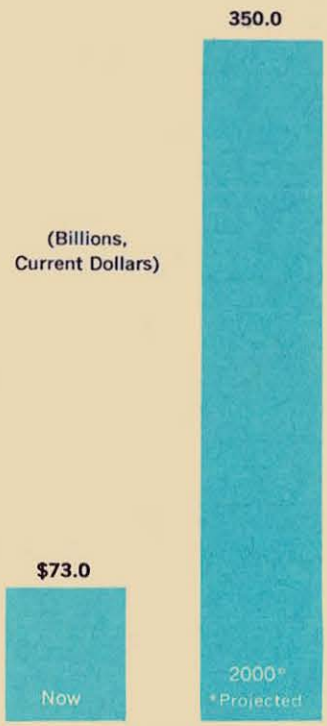
● **All the skill** that men can bring into transportation management and all the money that can be applied to technology will be to no avail if the railroad industry continues with two forces, management and the labor organizations, pulling in opposite directions. In labor relations, history is railroading's worst enemy. And in its raw power, labor can say—labor can actually deter-

mine, under present circumstances—whether there will be a tomorrow's railroad. Labor's inclination is toward the status quo. Change has to come, hopefully without intervening force, but if necessary with that force.

● **No relationships will be more important** than that which railroads establish with government. There is, now, a Department of Transportation. It needs help. To do its job, it needs evidence from the industry as to what's ahead, what kind of thinking is going on. But DOT is only a part of government, and as yet it is not a key agency with proposals that automatically demand respect. The broad railroad/government problem, most simply stated, may be that government generally does not understand and will not understand its role until the industry itself begins to demonstrate the kind of role which it can and must play.

In the Tomorrow's Railroads series, Railway Age will attempt to assess three things: (1) Where the industry stands today; (2) where railroading and transportation must be, if the 21st Century is to show the national development now hoped-for; and (3) how America and its transportation system might get from 1969 to 2000 with the least travail and the most accomplishment.

No single improvement will make tomorrow's railroads what they have to be. Forever intertwined are knowledge and fore-knowledge of the market . . . improvement of the basic freight-carrying vehicle and of its means of movement . . . improvement of the plant over which movement is made . . . control of operational quality to



THE FREIGHT TRANSPORTATION BILL

customer satisfaction . . . development of total and precise management . . . development of the resources for financing the future . . . creation of total transportation systems . . . solution of the people-mobility problem . . . creation of a new kind of understanding between the industry and its employee organizations . . . creation of a greater understanding by government of future transportation needs and of the moves which can only be made by government if those needs are to be met.

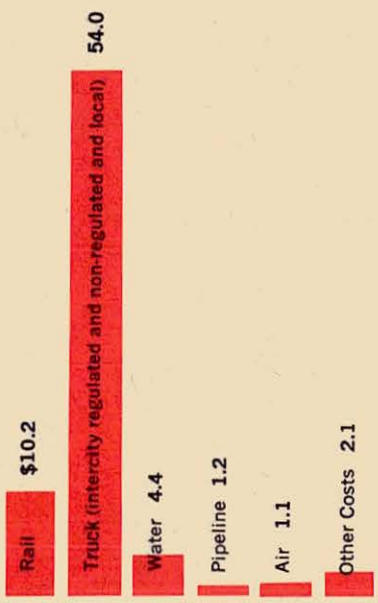
For years, transportation policy and transportation regulation and transportation planning have defied logic. Now, time is running out on this kind of defiance.

Historically, the railroad has served well. It has been and is far from perfect, or all-encompassing, as a means of meeting transportation/distribution demand. It is still the only means of transportation with the capability and capacity to meet tomorrow's demand.

Along with all the other problems facing transportation, however, there is a basic one facing the railroad industry. It's the problem of image, called by that name or by any other. It's the problem of involvement, of interest, of concern.

The making of tomorrow's railroad is not a job for railroad men alone. But government will not move, so long as there is no evidence of public or constituent interest in making needed changes. And, in another key area, labor's leadership will not move, so long as there is no evidence of rank-and-file desire for a cooperative, industry-progress movement.

Still, railroad men must bear the brunt of the effort.



SHARE OF THE FREIGHT MARKET (Billions)

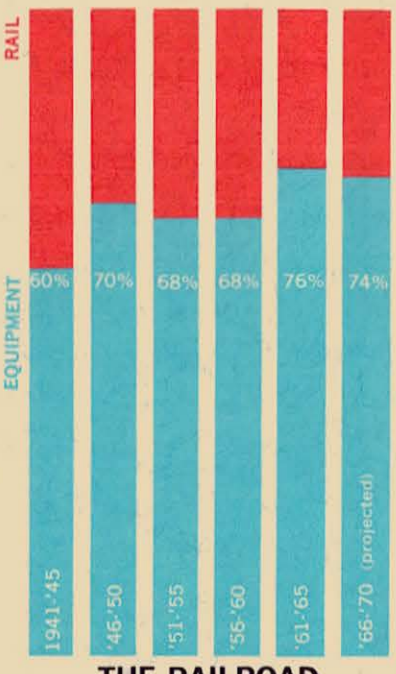
Imaginative people in railroading, and there are a good number of them, must be encouraged. An element of risk-taking must be introduced again. Diversification, where it's engaged in, has to be properly channeled. The men who run tomorrow's railroads, in a sense, have to become like the men who built the railroad industry, a century and more ago.

There is this, for sure—or at least as "for sure" as today's projections can make it. By the year 2000, the population of this country will have risen to about 320 million persons. The Gross National Product, now measured high in the hundreds of billions of dollars, will have climbed close to the $4-trillion mark. Nobody would presume to superimpose today's transportation systems on a demand-system like that.

What has to be done? Several things seem apparent. Economic growth, of necessity, depends upon distribution. Distribution depends upon agencies of transportation. Agencies of transportation, going forward unchanged in form or capability, will not be up to the task.

There are technological frontiers to be explored, for all present forms of transportation. There are also economic and social frontiers.

Present capability must be considered. Potential must be examined. And so the theme of Tomorrow's Railroads is just this: This country cannot afford second-rate transportation. Unless railroads are first-rate-plus, transportation becomes second-rate. It's as simple as that—and as complex as that.



THE RAILROAD CAPITAL DOLLAR: WHERE IT'S SPENT

COMING FEB. 17:
TOMORROW'S
TRANSPORTATION
MARKET

Third Quarter and Nine Months of Calendar Year 1968

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

Name of Road		Average mileage operated during period	Operating Revenues				Operating Expenses: Maint. Way and Structures			Operating Expenses: Maint. Equipment			Operating Expenses				Operating ratio		Net from railway operation	Railways tax accruals	Net Railway operating income	
			Freight	Pass.	Total (inc. misc.) 1968	Total (inc. misc.) 1967	Total 1968	Total 1967	Deprec. and Retirements	Total 1968	Total 1967	Deprec. and Retirements	Traffic	Transportation	Total 1968	Total 1967	1968	1967			1968	1967
Akron, Canton & Youngstown	3 mos.	171	1,916	—	1,977	1,876	288	251	20	388	317	135	109	683	1,546	1,431	78.2	76.3	432	204	283	289
	9 mos.	171	5,845	—	6,029	5,297	819	766	61	1,154	1,015	413	337	2,098	4,703	4,381	78.0	82.7	1,327	663	903	734
Ann Arbor	3 mos.	293	2,354	—	2,541	2,397	426	199	22	457	394	139	57	1,155	2,175	1,850	85.6	77.2	365	185	−1	221
	9 mos.	293	6,701	—	6,967	6,766	872	627	69	1,341	1,194	418	162	3,443	6,028	5,469	86.5	80.8	938	548	−187	301
Atchison, Topeka & Santa Fe	3 mos.	12,867	149,682	7,805	167,552	162,830	29,717	24,907	2,572	34,207	35,724	10,358	4,639	66,974	143,847	140,036	85.9	86.0	23,705	13,588	7,031	6,380
	9 mos.	12,875	448,218	19,439	497,110	492,322	81,963	71,749	7,539	104,669	107,427	32,345	14,267	192,221	416,976	412,632	83.9	83.8	80,134	42,731	30,501	31,815
Baltimore & Ohio	3 mos.	5,748	105,088	1,394	113,150	99,108	14,900	12,000	1,638	17,004	15,463	2,699	2,935	44,219	85,523	76,241	75.6	76.9	27,627	7,916	5,504	1,366
	9 mos.	5,748	311,205	3,532	332,472	305,501	41,400	35,398	4,618	50,434	48,679	7,845	8,434	128,831	247,942	232,142	74.6	75.9	84,530	23,153	16,939	10,786
Bangor & Aroostook	3 mos.	543	2,527	69	2,694	2,657	558	509	68	1,052	1,055	427	78	879	2,795	2,833	103.8	106.6	−101	311	399	174
	9 mos.	543	9,898	192	10,331	10,735	2,305	2,228	202	3,224	3,280	1,280	249	3,317	9,793	9,838	94.8	91.2	537	912	1,535	1,607
Bessemer & Lake Erie	3 mos.	201	11,025	—	11,681	9,956	1,422	1,660	156	851	1,056	467	160	2,507	5,612	5,340	48.0	53.6	6,069	3,333	2,792	2,259
	9 mos.	201	27,646	—	29,209	24,052	3,237	3,750	420	3,174	3,561	−368	472	6,803	15,593	14,691	53.4	61.1	13,616	8,526	6,053	4,911
Boston & Maine	3 mos.	1,532	14,191	1,118	16,708	14,360	2,108	1,886	450	2,601	2,356	642	367	7,835	13,815	12,253	82.7	85.3	2,893	1,299	−612	−696
	9 mos.	1,532	42,383	3,420	49,991	46,312	6,514	6,029	1,307	7,887	6,977	1,907	1,056	23,112	41,273	37,694	82.6	81.4	8,718	3,796	−594	362
CPR Lines in Maine	3 mos.	234	1,204	78	1,340	990	341	237	60	176	162	46	46	448	1,118	952	83.4	96.1	223	78	−86	−268
	9 mos.	234	4,644	147	4,950	4,764	916	758	180	710	740	138	145	1,484	3,599	3,420	72.7	71.8	1,352	229	301	248
Central of Georgia	3 mos.	1,729	12,267	241	12,869	10,456	2,575	2,495	182	2,414	2,615	760	311	4,674	10,731	11,021	83.4	105.4	2,138	134	1,141	−1,254
	9 mos.	1,729	36,542	697	38,218	33,414	7,712	7,281	477	7,666	7,254	2,271	943	14,136	32,798	33,063	85.8	99.0	5,420	641	2,401	−2,245
Central RR of New Jersey	3 mos.	594	10,238	899	12,638	11,528	1,641	1,473	278	1,852	2,367	408	315	6,374	10,992	11,326	87.0	98.2	1,646	1,148	−1,275	−2,526
	9 mos.	594	30,690	2,616	38,297	36,221	4,615	4,358	810	6,188	7,077	1,272	976	18,686	33,479	34,660	87.4	95.7	4,819	3,426	−3,810	−6,388
Central Vermont	3 mos.	382	1,960	—	2,017	1,957	405	536	77	241	380	12	38	908	1,669	1,896	82.7	96.9	348	167	−80	−408
	9 mos.	382	5,891	2	6,119	6,108	1,342	1,497	191	773	989	37	109	2,633	5,340	5,803	87.2	95.0	780	506	−562	−1,021
Chesapeake & Ohio	3 mos.	5,127	95,141	793	101,898	97,927	11,300	10,600	1,384	18,642	17,833	6,377	2,872	41,412	79,764	75,311	78.3	76.9	22,135	10,084	11,095	10,375
	9 mos.	5,127	281,418	2,477	298,707	295,852	33,400	31,700	4,424	57,999	56,198	19,478	7,955	120,672	236,727	231,617	79.3	78.3	61,980	29,656	32,900	32,656
Chicago & Eastern Illinois	3 mos.	862	10,323	28	11,034	10,539	2,261	1,800	108	2,062	1,990	562	383	3,969	9,470	8,965	85.8	85.1	1,564	821	−1,032	−276
	9 mos.	862	32,886	154	34,652	30,918	5,978	5,134	370	6,495	5,723	1,691	1,220	12,707	28,739	26,329	82.9	85.2	5,912	2,440	−1,507	−874
Chicago & Illinois Midland	3 mos.	121	885	—	937	1,239	103	116	22	212	235	36	7	341	786	851	83.8	68.7	151	163	6	101
	9 mos.	121	3,351	—	3,488	4,199	322	382	64	618	688	107	20	1,041	2,369	2,721	67.9	64.8	1,119	751	337	422
Chicago & North Western	3 mos.	11,581	60,366	5,579	68,208	67,659	10,768	12,124	1,444	11,117	11,741	4,091	2,137	29,530	59,253	57,663	86.9	85.2	8,955	6,005	−2,261	−2,667
	9 mos.	11,524	181,112	15,736	204,275	198,602	30,643	32,485	4,456	34,799	34,410	12,285	7,012	86,806	174,328	167,464	85.3	84.3	29,947	17,424	−1,394	−5,020
Chicago, Burlington & Quincy	3 mos.	8,536	61,393	4,601	71,336	67,310	10,008	8,720	1,310	12,300	12,399	4,220	2,303	29,627	58,187	57,396	81.6	85.3	13,149	5,506	5,235	2,586
	9 mos.	8,536	178,109	12,310	206,155	204,572	28,005	25,361	4,241	37,143	38,286	12,801	6,826	85,380	169,612	170,595	82.3	83.4	36,542	16,805	13,040	10,236
Chic., Milw., St. Paul & Pacific	3 mos.	10,512	58,735	3,165	67,424	65,656	12,050	9,422	1,336	10,796	9,925	3,316	1,918	28,772	57,857	52,323	85.8	79.7	9,567	6,185	−1,387	2,168
	9 mos.	10,511	174,999	8,095	198,977	190,168	28,965	25,549	4,002	31,852	29,557	9,994	5,617	83,985	163,261	153,406	82.1	80.7	35,716	17,605	4,877	6,297
Chicago, Rock Island & Pacific	3 mos.	7,277	53,257	1,550	57,220	52,251	9,210	9,183	834	10,062	9,679	1,917	1,583	25,832	49,997	47,721	87.4	91.3	7,224	4,754	−5,490	−6,917
	9 mos.	7,277	164,310	4,643	176,923	166,573	25,996	25,730	2,808	30,082	30,009	6,262	4,805	76,049	146,766	145,342	83.0	87.3	30,158	14,130	−7,648	−13,367
Clinchfield	3 mos.	306	7,353	—	7,396	7,387	782	750	72	1,155	1,083	596	244	2,080	4,515	4,389	61.0	59.4	2,881	761	2,412	2,563
	9 mos.	306	22,370	—	22,503	23,003	2,437	2,373	212	3,597	3,452	1,793	728	6,305	13,810	13,602	61.4	59.1	8,693	2,191	7,078	7,710
Colorado & Southern	3 mos.	708	4,162	3	4,250	3,859	542	474	36	653	619	294	74	1,433	2,969	3,119	69.9	80.8	1,280	403	785	378
	9 mos.	708	11,823	14	12,081	11,503	1,336	1,458	122	2,032	2,138	927	191	3,889	8,217	9,772	68.0	85.0	3,864	1,302	2,327	803
Ft. Worth & Denver	3 mos.	1,280	3,945	8	4,149	3,935	660	613	114	679	683	112	167	2,027	3,881	3,506	93.5	89.1	269	184	−552	−306
	9 mos.	1,280	13,644	−13	14,200	13,444	1,899	1,958	296	1,872	2,436	401	547	5,839	11,211	12,421	79.0	92.4	2,989	888	224	−1,437
Delaware & Hudson	3 mos.	734	9,499	235	9,980	9,898	1,806	1,407	106	1,916	2,272	321	346	3,963	8,771	8,446	87.9	85.3	1,208	1,298	5	578
	9 mos.	734	29,792	540	31,060	31,266	4,723	3,771	538	6,387	7,060	1,519	1,045	11,820	26,168	25,212	84.2	80.6	4,892	3,894	1,367	2,568
Denver & Rio Grande Western	3 mos.	2,153	22,288	862	23,465	22,065	2,585	2,841	340	3,823	3,331	1,373	828	7,826	16,375	15,867	69.8	71.9	7,090	3,552	3,320	3,200
	9 mos.	2,153	65,808	1,688	68,320	66,219	7,599	7,904	1,148	10,924	10,418	3,988	2,468	22,634	47,635	47,071	69.7	71.1	20,685	9,995	10,271	9,856
Detroit & Toledo Shore Line	3 mos.	50	1,394	—	1,523	1,350	129	167	13	280	242	112	60	596	1,164	1,170	76.4	86.6	359	119	122	54
	9 mos.	50	4,662	—	4,972	4,745	410	456	39	789	731	334	191	1,820	3,535	3,556	71.1	74.9	1,438	443	356	369
Detroit, Toledo & Ironton	3 mos.	467	5,599	—	5,975	5,534	626	519	82	1,179	1,402	322	241	2,378	4,818	4,486	80.6	81.1	1,157	547	68	53
	9 mos.	467	19,998	—	20,987	18,759	1,813	1,617	248	4,017	4,245	1,657	703	7,504	15,146	14,040	72.2	74.8	5,841	1,635	2,353	1,903
Duluth, Missabe & Iron Range	3 mos.	512	13,075	—	14,321	13,793	1,769	1,535	190	1,320	1,215	551	53	3,185	7,173	6,654	50.1	48.2	7,147	4,291	3,055	3,398
	9 mos.	512	26,561	—	28,908	26,739	4,743	4,154	756	3,957	3,947	1,637	154	7,637	18,921	17,696	65.5	66.2	9,987	6,573	4,153	4,021

(Continued on next page)

Third Quarter and Nine Months of Calendar Year 1968

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

REVENUES AND EXPENSES OF RAILWAYS

Name of Road	Average mileage operated during period	Operating Revenues: Freight	Pass.	Total (inc. misc.) 1968	Total (inc. misc.) 1967	Operating Expenses: Maint. Way and Structures: Total 1968	Total 1967	Deprec. and Retirements	Maint. Equipment: Total 1968	Total 1967	Deprec. and Retirements	Traffic	Transportation	Total 1968	Total 1967	Operating ratio 1968	Operating ratio 1967	Net from railway operation	Railways tax accruals	Net Railway operating income 1968	Net Railway operating income 1967
Duluth, Winnipeg & Pacific	3 mos.	174	1,964	—	1,999	2,111	256	551	16	299	126	2	41	797	1,458	1,538	72.9	72.9	541	325	−2	25
	9 mos.	174	6,809	—	6,906	6,199	759	1,101	48	705	394	7	123	2,351	4,120	3,977	59.7	64.2	2,786	1,062	727	532
Elgin, Joliet & Eastern	3 mos.	205	8,437	—	12,568	12,471	1,600	1,040	119	2,033	1,912	435	177	4,828	9,961	9,116	79.3	73.1	2,607	1,576	285	1,015
	9 mos.	205	28,866	—	42,429	36,876	4,274	4,007	323	7,034	6,185	1,314	512	15,716	31,566	28,057	74.4	76.1	10,863	6,071	2,061	2,158
Erie Lackawanna	3 mos.	2,904	53,385	2,668	61,050	54,778	8,322	8,037	811	9,343	9,433	1,848	1,317	27,738	49,401	47,178	80.9	86.1	11,648	4,813	1,654	−1,543
	9 mos.	2,905	157,969	7,920	180,537	164,117	21,782	20,465	3,104	30,771	29,238	6,785	3,922	83,301	148,321	139,333	82.2	85.0	32,215	14,600	1,306	−1,652
Florida East Coast	3 mos.	571	5,162	4	5,281	4,310	2,231	1,340	380	714	872	314	181	1,307	4,882	4,009	92.4	93.0	399	171	−366	−197
	9 mos.	571	17,918	25	18,304	16,976	5,305	3,856	847	2,814	2,836	859	515	4,643	14,541	13,668	79.4	80.5	3,764	1,866	−196	−107
Georgia Railroad	3 mos.	331	2,320	9	2,456	2,386	342	362	39	402	382	97	138	911	1,948	1,957	79.3	82.0	509	150	248	81
	9 mos.	331	6,846	40	7,355	7,756	1,058	1,033	128	1,246	1,251	304	429	2,772	5,967	6,101	81.1	78.7	1,388	446	472	766
Grand Trunk Western	3 mos.	946	14,221	562	15,808	15,288	2,312	2,281	196	2,375	2,437	193	409	8,927	15,129	13,984	95.7	91.5	679	1,678	−4,559	−4,189
	9 mos.	946	46,960	1,488	51,648	48,646	6,070	6,455	666	7,319	7,643	579	1,188	25,606	43,375	41,877	84.0	86.1	8,273	4,911	−6,770	−8,610
Great Northern	3 mos.	8,276	60,739	2,742	67,935	68,801	11,513	10,773	1,269	11,970	11,514	3,528	2,013	27,346	57,455	55,101	84.6	80.1	10,480	6,632	3,363	5,450
	9 mos.	8,278	174,890	6,700	193,762	193,380	30,255	30,960	3,904	34,215	33,852	10,518	5,876	78,378	161,962	159,723	83.6	82.6	31,799	19,477	11,011	10,825
Gulf, Mobile & Ohio	3 mos.	2,734	21,628	572	23,445	22,280	3,067	2,878	285	4,692	4,215	1,369	884	8,136	17,882	16,499	76.3	74.1	5,562	2,074	2,088	2,456
	9 mos.	2,734	66,294	1,518	71,640	68,672	9,131	8,600	822	13,663	13,383	4,032	2,610	24,270	52,831	50,322	73.7	73.3	18,809	6,182	7,669	7,747
Illinois Central	3 mos.	6,786	63,093	6,750	73,831	72,099	10,096	9,248	1,409	14,115	12,539	4,113	2,196	28,882	60,477	56,538	81.9	78.4	13,354	7,126	2,553	5,302
	9 mos.	6,738	195,533	17,744	225,738	220,079	29,787	28,247	4,123	41,495	38,623	12,039	6,531	88,233	181,424	173,183	80.4	78.7	44,314	21,572	10,754	14,028
Illinois Terminal	3 mos.	340	2,329	—	2,579	2,308	322	307	11	539	450	111	54	1,051	2,152	2,006	83.5	86.9	427	216	−123	−181
	9 mos.	340	6,606	—	7,354	7,195	949	829	33	1,487	1,268	341	262	2,968	6,254	5,877	85.0	81.7	1,100	631	−514	−80
Kansas City Southern	3 mos.	894	10,820	148	11,815	10,801	1,551	1,081	173	1,981	1,931	754	381	4,117	8,585	7,823	72.7	72.4	3,230	862	1,349	1,264
	9 mos.	894	32,570	493	35,794	33,893	4,123	3,064	516	6,055	5,884	2,294	1,114	12,522	25,384	23,629	70.9	69.7	10,410	2,722	4,518	4,579
Lake Superior & Ishpeming	3 mos.	103	1,817	—	2,215	2,395	367	303	77	379	350	198	9	585	1,455	1,384	65.7	57.8	760	478	305	728
	9 mos.	103	4,216	—	5,159	4,936	933	858	230	1,100	1,082	580	27	1,415	3,800	3,693	73.7	74.8	1,359	930	542	680
Lehigh Valley	3 mos.	956	11,221	—	11,616	11,118	1,513	1,208	265	1,664	1,534	324	393	5,741	10,059	9,311	86.6	83.7	1,557	972	−999	−487
	9 mos.	956	33,588	—	34,750	33,658	4,377	4,053	782	5,033	4,717	999	1,206	17,556	30,405	29,193	87.5	86.7	4,345	2,966	−3,426	−2,194
Long Island	3 mos.	322	2,407	18,196	21,531	20,500	2,337	2,784	264	5,380	4,546	610	186	12,044	21,334	20,053	99.1	97.8	197	1,470	−2,464	−1,668
	9 mos.	322	7,120	55,222	64,961	60,447	7,205	9,225	807	15,453	13,165	1,837	543	36,387	63,519	59,739	97.8	98.8	1,442	4,256	−5,912	−5,822
Louisiana & Arkansas	3 mos.	746	7,168	72	7,487	7,075	1,022	738	69	1,050	1,084	415	312	2,481	5,198	4,711	69.4	66.6	2,289	890	798	659
	9 mos.	746	21,541	303	22,818	20,940	2,966	2,194	209	3,179	3,289	1,262	912	7,555	15,560	14,571	68.2	69.6	7,258	2,695	2,584	1,831
Louisville & Nashville	3 mos.	5,570	70,091	788	73,552	67,507	9,823	9,986	1,132	15,720	14,780	6,913	1,834	28,309	59,307	57,758	80.6	85.6	14,245	4,441	8,543	5,258
	9 mos.	5,570	213,992	2,161	224,145	212,485	30,208	28,965	3,425	47,195	44,902	20,570	5,552	84,756	179,594	172,998	80.1	81.4	44,550	15,951	24,478	21,663
Maine Central	3 mos.	921	5,606	6	5,738	5,357	1,050	1,116	87	1,182	1,113	292	109	2,140	4,842	4,639	84.4	86.6	895	441	237	145
	9 mos.	921	17,591	9	18,026	17,818	3,118	3,372	260	3,648	3,572	882	339	6,481	14,711	14,640	81.6	82.2	3,315	1,308	1,180	1,201
Missouri-Illinois	3 mos.	444	1,572	—	1,611	1,502	233	113	13	540	527	335	28	367	1,238	1,111	76.9	74.0	373	241	1,006	822
	9 mos.	444	5,084	—	5,170	4,647	628	371	38	1,642	1,524	1,008	95	1,097	3,673	3,337	71.0	71.8	1,497	821	3,240	2,559
Missouri-Kansas-Texas Lines	3 mos.	2,789	14,884	—	15,495	13,654	2,585	2,734	276	2,200	2,023	504	785	6,168	12,481	12,057	80.5	88.3	3,014	1,261	−1,478	−2,144
	9 mos.	2,789	46,937	—	48,589	42,063	7,101	7,735	809	6,224	6,165	1,533	2,378	18,058	36,004	34,980	74.1	83.2	12,585	3,761	−525	−3,153
Missouri Pacific	3 mos.	8,995	76,523	993	82,544	76,448	13,899	10,165	1,584	14,044	13,044	3,569	1,942	29,932	63,844	56,794	77.3	74.3	18,701	5,421	5,173	6,731
	9 mos.	9,026	225,671	2,434	243,535	237,062	37,546	32,099	4,087	39,989	39,991	10,535	5,858	86,578	181,889	172,654	74.7	72.8	61,645	18,661	20,135	24,318
Monon	3 mos.	540	5,189	—	5,398	5,020	839	719	56	799	808	210	245	1,937	4,200	4,020	77.8	80.0	1,198	415	244	222
	9 mos.	540	15,016	—	15,651	14,601	2,090	1,836	179	2,435	2,389	649	713	5,766	12,105	11,637	77.3	79.7	3,546	1,201	954	782
Monongahela	3 mos.	167	1,215	—	1,224	1,455	570	366	32	227	134	34	3	412	1,235	957	100.9	65.8	−11	83	−398	67
	9 mos.	167	4,343	—	4,374	4,933	1,286	776	103	572	444	89	9	1,396	3,359	2,769	76.8	56.1	1,015	245	−291	780
Pittsburgh & Lake Erie	3 mos.	209	8,382	15	8,895	8,417	1,053	986	179	2,717	2,344	1,277	183	3,260	7,837	7,078	88.1	84.1	1,058	1,650	3,825	3,488
	9 mos.	209	25,124	48	26,864	23,564	2,918	2,764	534	8,570	7,870	3,795	670	10,079	24,141	22,004	89.9	93.4	2,723	5,848	9,959	8,519

(Continued on page 44)

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Circle 24 on coupon page 46

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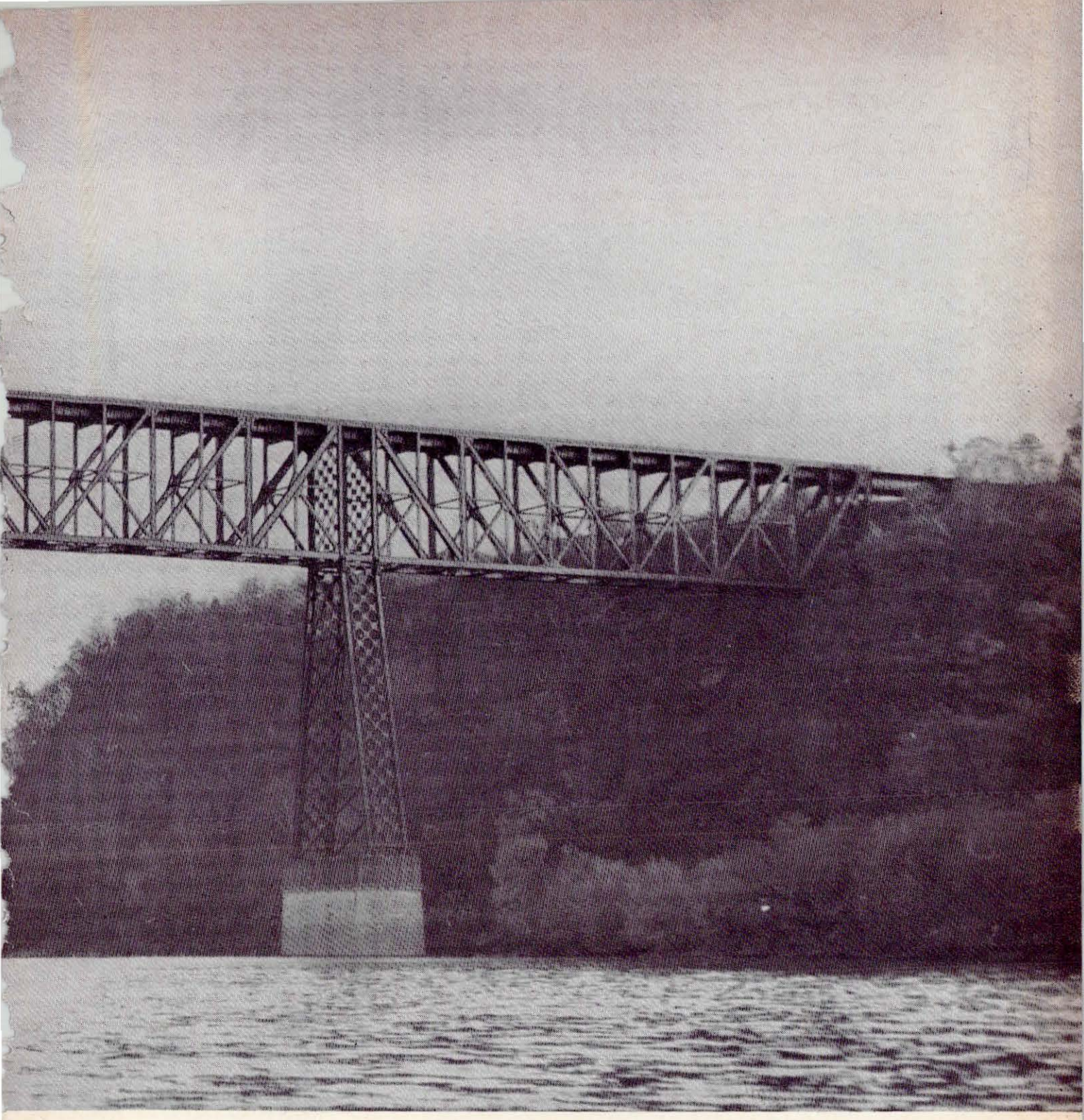

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WE'RE PULLING A FEW SURPRISES ON THE NORTHERN PACIFIC RAILWAY

Third Quarter and Nine Months of Calendar Year 1968

(Dollar figures are stated in thousands: i.e., with last three digits omitted)

Name of Road		Average mileage operated during period	Operating Revenues: Freight	Pass.	Total (inc. misc.) 1968	Total (inc. misc.) 1967	Operating Expenses: Maint. Way and Structures: Total 1968	Total 1967	Deprec. and Retirements	Maint. Equipment: Total 1968	Total 1967	Deprec. and Retirements	Traffic	Transportation	Total 1968	Total 1967	Operating ratio 1968	Operating ratio 1967	Net from railway operation	Railways tax accruals	Net Railway operating income 1968	Net Railway operating income 1967
New York, New Haven & Hartford	3 mos.	1,503	15,503	9,186	29,737	28,219	4,364	4,157	470	6,291	6,306	1,308	584	16,548	29,894	28,693	100.5	101.7	−156	2,999	−6,570	−6,504
	9 mos.	1,503	47,841	27,152	90,517	89,659	13,330	13,485	2,094	18,451	18,693	3,925	1,803	49,605	89,767	88,215	99.2	98.4	750	8,695	−18,761	−17,221
Norfolk & Western	3 mos.	7,583	152,024	772	159,287	145,796	17,816	13,746	2,386	25,570	22,534	10,824	3,309	58,184	±12,333	101,003	70.5	69.3	46,954	12,341	27,536	28,035
	9 mos.	7,583	456,291	1,992	477,592	442,781	49,392	43,922	6,980	76,105	70,750	32,241	9,824	174,158	331,915	309,592	69.5	69.9	145,677	44,578	79,870	78,465
Norfolk Southern	3 mos.	624	2,869	—	2,926	2,462	435	436	69	467	432	178	154	936	2,247	2,060	76.8	83.7	679	224	274	55
	9 mos.	624	8,163	—	8,347	7,636	1,352	1,448	209	1,311	1,281	535	453	2,629	6,510	6,340	77.9	83.0	1,837	652	621	217
Northern Pacific	3 mos.	6,772	51,196	1,714	54,994	52,071	8,950	8,330	926	10,202	9,310	3,230	1,569	21,574	46,357	43,514	84.3	83.6	8,637	6,098	3,628	4,579
	9 mos.	6,776	142,541	4,213	153,241	144,785	23,702	22,275	3,270	29,198	28,781	9,675	4,766	62,751	132,554	127,830	86.5	88.3	20,687	16,758	7,145	5,963
Northwestern Pacific	3 mos.	324	2,727	12	2,750	2,375	693	1,093	92	151	138	4	20	870	1,817	2,126	66.0	89.5	934	29	360	−479
	9 mos.	324	8,004	24	8,056	6,752	1,806	2,642	243	366	413	12	61	2,472	5,097	5,660	63.3	83.8	2,959	439	863	−978
Penn Central	3 mos.	19,209	304,412	27,705	372,115	363,104	44,981	42,219	7,823	63,739	63,114	15,970	6,011	176,434	315,851	301,284	84.9	83.0	56,265	25,004	−9,173	−61
	9 mos.	19,209	950,749	78,940	1,146,378	1,120,576	127,754	122,891	21,819	191,286	195,494	48,537	19,618	539,723	945,921	926,036	82.5	82.6	200,457	79,916	−5,045	6,51[illegible]6
Penn-Reading Seashore Lines	3 mos.	322	1,741	70	1,983	1,819	366	427	27	372	382	59	14	1,358	2,221	2,288	112.0	125.8	−238	166	−937	−1,12[illegible]
	9 mos.	322	5,336	124	5,903	5,769	1,235	1,209	165	1,126	1,162	196	43	4,058	6,802	6,821	115.2	118.2	−899	476	−2,888	−2,94[illegible]
Piedmont & Northern	3 mos.	150	1,605	—	1,662	1,731	139	146	21	127	128	31	115	403	939	900	56.5	52.0	723	333	199	26[illegible]
	9 mos.	150	4,808	—	4,964	5,182	460	471	59	366	374	92	335	1,158	2,781	2,733	56.0	52.7	2,183	955	654	80[illegible]
Reading	3 mos.	1,228	21,629	1,699	25,996	23,007	4,138	3,667	587	4,797	4,750	1,570	736	11,429	22,883	21,262	88.0	92.4	3,113	2,160	−1,159	−1,31[illegible]
	9 mos.	1,229	66,474	5,175	79,676	74,228	12,074	10,780	1,777	14,914	14,679	4,928	2,098	34,234	68,665	65,519	86.2	88.3	11,010	6,494	−338	−1,66[illegible]
Richmond, Fredericksburg & Potomac	3 mos.	118	4,644	1,168	6,574	6,046	514	578	103	751	851	251	95	2,146	3,992	4,091	60.7	67.7	2,582	1,441	973	66[illegible]
	9 mos.	118	13,995	3,086	19,446	19,385	1,617	1,634	311	2,577	2,634	754	284	6,436	12,377	12,684	63.6	65.4	7,069	4,075	2,451	2,49[illegible]
St. Louis-San Francisco	3 mos.	4,577	37,702	—	39,489	35,481	5,353	4,975	612	5,492	5,268	2,089	1,436	15,378	30,010	27,250	76.0	76.8	9,479	3,463	3,506	3,18[illegible]
	9 mos.	4,577	113,983	—	118,725	108,966	16,266	14,895	1,962	16,747	15,817	6,189	4,189	43,903	87,890	81,888	74.0	75.2	30,834	11,439	12,948	11,48[illegible]
St. Louis Southwestern	3 mos.	1,565	26,029	—	26,414	22,759	2,452	1,798	221	4,582	3,786	2,226	699	9,247	17,783	14,573	67.3	64.0	8,631	3,736	5,260	6,45[illegible]
	9 mos.	1,565	78,732	—	79,786	71,346	6,707	5,447	653	12,950	10,924	6,521	2,057	26,371	50,353	44,150	63.1	61.9	29,433	10,797	19,829	19,58[illegible]
Savannah & Atlanta	3 mos.	167	996	—	1,019	914	204	269	7	196	167	83	29	326	805	861	79.0	94.2	214	167	124	39
	9 mos.	167	3,299	—	3,360	3,309	612	695	−4	532	527	247	91	1,017	2,451	2,588	72.9	78.2	909	596	481	384
Seaboard Coast Line	3 mos.	9,300	93,439	6,186	104,231	94,308	13,153	11,862	1,531	18,845	18,927	6,243	3,353	42,686	84,419	80,289	81.0	85.1	19,812	6,210	5,305	3,891
	9 mos.	9,304	288,631	17,862	321,495	311,394	41,449	38,734	4,219	58,460	57,591	18,813	10,387	126,619	255,610	245,395	79.5	78.8	65,885	21,650	18,667	24,161
Soo Line	3 mos.	4,674	21,813	7	22,504	21,778	4,292	4,296	338	3,197	3,226	872	735	9,235	18,516	18,135	82.3	83.3	3,988	1,640	956	347
	9 mos.	4,675	66,720	18	68,371	64,484	10,342	11,064	977	9,591	9,637	2,654	2,174	26,817	52,171	52,491	76.3	81.4	16,200	5,894	6,107	1,650
Southern Railway	3 mos.	6,085	78,461	1,529	83,412	73,728	10,840	8,400	1,228	15,836	13,467	4,722	2,144	27,313	60,601	53,208	72.7	72.2	22,810	8,261	10,031	9,420
	9 mos.	6,085	237,262	3,596	250,823	233,032	30,413	25,717	3,238	44,839	40,498	13,730	6,327	81,441	176,936	162,616	70.5	69.8	73,887	25,701	31,612	31,793
Alabama Great Southern	3 mos.	327	5,240	98	5,756	5,464	767	656	103	1,135	1,003	328	144	1,902	4,234	3,801	73.6	69.6	1,521	335	707	876
	9 mos.	327	15,787	238	17,228	15,418	2,153	1,912	372	3,175	2,984	992	416	5,728	12,343	11,368	71.6	73.7	4,884	1,172	2,380	1,676
Cinn., New Orleans & Tex. Pac.	3 mos.	337	11,826	73	12,365	10,606	1,797	1,314	734	2,829	2,408	1,039	292	3,470	8,918	7,891	72.1	74.4	3,446	1,091	2,418	2,010
	9 mos.	337	35,119	202	36,862	31,739	4,326	3,600	1,182	7,982	7,678	3,043	872	10,505	25,342	23,819	68.7	75.0	11,520	3,701	8,139	5,75[illegible]8
Georgia Southern & Florida	3 mos.	395	3,323	—	3,454	2,508	486	391	46	185	576	26	79	926	1,812	1,973	52.5	78.7	1,642	343	254	−392
	9 mos.	395	10,650	5	10,957	7,653	1,550	1,369	118	581	928	79	226	2,756	5,561	5,348	50.8	69.9	5,395	1,180	1,048	−447
New Orleans & Northeastern	3 mos.	203	3,081	83	3,348	2,836	478	439	85	721	652	277	81	1,084	2,555	2,332	76.3	82.2	793	234	466	267
	9 mos.	203	9,404	204	10,197	8,658	1,380	1,283	282	2,079	1,951	831	237	3,369	7,663	6,976	75.1	80.6	2,534	950	1,260	767
Southern Pacific	3 mos.	11,761	212,350	3,817	223,511	196,045	24,715	21,959	2,972	41,701	41,046	13,665	3,511	90,119	172,645	160,100	77.2	81.7	50,866	19,580	18,552	6,964
	9 mos.	11,763	612,407	9,723	643,898	596,946	75,192	66,352	8,130	122,152	123,362	40,934	10,237	254,222	497,963	475,754	77.3	79.7	145,935	58,156	52,811	35,295
Spokane, Portland & Seattle	e mos.	922	8,579	214	9,409	10,204	1,486	1,342	189	1,595	1,500	392	132	3,982	7,645	7,363	81.3	92.2	1,764	970	207	79[illegible]3
	9 mos.	922	27,079	529	29,423	29,698	4,393	4,068	549	4,683	4,528	1,175	391	11,845	22,682	21,713	77.1	73.1	6,740	3,152	1,726	2,104
Texas & Pacific	3 mos.	2,016	17,514	175	19,125	16,944	2,800	2,248	529	3,608	3,030	1,283	681	7,874	15,937	13,912	83.3	82.1	3,188	919	1,067	69[illegible]
	9 mos.	2,016	53,396	470	58,290	54,375	8,393	7,149	1,210	10,605	10,019	3,778	2,011	23,043	46,802	43,219	80.3	79.4	11,488	3,266	4,455	3,34[illegible]0
Toledo, Peoria & Western	3 mos.	239	2,170	—	2,322	2,011	356	257	21	210	172	56	171	798	1,694	1,483	73.0	73.7	628	251	179	154
	9 mos.	239	6,196	—	6,685	6,202	823	744	62	658	527	162	513	2,335	4,818	4,485	72.1	72.3	1,867	683	537	414
Union Pacific	3 mos.	9,489	140,344	4,840	152,784	146,349	18,199	17,518	1,922	27,061	26,336	12,086	4,112	56,197	115,280	108,060	75.5	73.8	37,505	14,731	20,631	22,458
	9 mos.	9,489	403,050	11,378	436,284	422,669	52,461	47,732	5,303	81,212	80,761	36,045	11,615	161,408	333,193	315,856	76.4	74.7	103,091	48,535	52,608	55,384
Western Maryland	3 mos.	866	11,004	—	11,587	10,890	1,804	1,753	210	2,721	2,572	900	440	4,300	9,931	9,372	85.7	84.4	1,656	1,015	1,599	1,839
	9 mos.	866	34,505	—	36,260	34,990	5,541	5,469	581	8,937	8,460	2,780	1,317	13,175	31,068	29,823	85.7	85.2	5,192	3,235	5,268	5,485
Western Pacific	3 mos.	1,176	16,556	692	17,659	14,962	2,440	2,498	277	3,055	2,857	974	873	6,577	14,384	13,396	81.5	89.5	3,275	1,189	1,587	421
	9 mos.	1,176	46,812	1,553	49,362	44,401	6,460	6,408	830	8,698	8,334	2,913	2,583	17,999	39,868	38,183	80.8	86.0	9,494	3,497	4,549	3,149

Able Seaman? Importer? Materials Handler?

(He's a railroadman who's bringing tomorrow's shipping methods a step closer.)

Emmett M. Brady, Market Manager, Containerization, Export-Import, Great Northern Railway

Transportation and marketing experts hail intermodal shipping—by sea, rail and truck—as the "coming thing." That's why Great Northern—with a straight-line, intermodal shipping route between Japan and Pacific Northwest ports and inland U.S. markets—is working hard to hasten its arrival.

Enter Emmett Brady. He's quarterbacking a team of Great Northern specialists—strategically located in Japan, the Pacific Northwest, the Midwest and the East. Together, they're working out the complex mechanics of container shipping. Probing into the problems of port capacity, intermodal rates, car supply, unloading methods, return cargo. Assembling all the data and equipment needed to make containerized, TOFC or carload movement of goods a smooth, coordinated, cost-cutting operation.

It's a tough job, entailing months of careful planning. But when it's finished, Emmett Brady and his straight-line task force will have put Great Northern Railway in the best position to provide full distribution services to your import or export shipments, with or without containers. If this is your business, give Emmett Brady a ring. You have lots in common!

Saint Paul, Minnesota 55101, Phone: 612-224-5588

GREAT NORTHERN

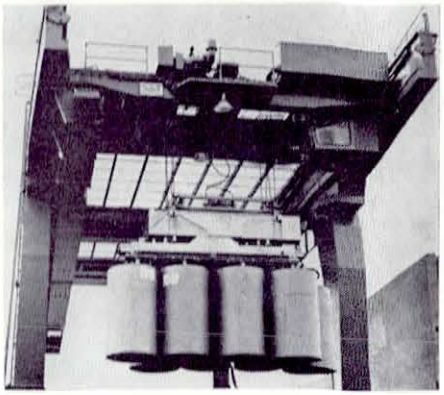
NEW PRODUCTS REPORT

Stainless-steel hose (RA-1)

The double-wall stainless-steel "dry bulk hose" with an integral strip liner pneumatically handles all types of dry palletized, granular or powdered materials. The smooth-bore stainless-steel liner eliminates contamination and batch losses caused by "flaking off" and "chunking out" encountered with rubber hose. The steel hose is available in 1½- to 12-in. diameters. Bending diameters range from 28 to 32 in. for popular 3- and 4-in. sizes. *Federal Metal Hose Corp.*

Disposable pallets (RA-2)

Two layers of kraft paper with reinforcing steel and iron wires, spaced 0.8 in. apart, and a tensile strength of 65 lb per wire make up the Unipal system of disposable paper pallets designed to eliminate many conventional wood pallets. Bitumen waterproofs pallets and protects wires from corrosion. Standard sizes—8 ft 3 in. x 3 ft 11 in. and 7 ft 4 in. x 3 ft 1 in.—are delivered in flat bundles of 1,000. For automatic palletizers delivery is made on rolls. *Willcox & Gibbs.*



Lift attachment (RA-3)

A new vacuum lift attachment speeds loading and unloading of newsprint and kraft paper and reduces damage to the rolls. The completely self-contained attachment includes a motor-driven vacuum pump, control and check valves and the electrical motors required to position individual vacuum pads on the paper rolls. The unit is easily adaptable to standard overhead, port and ship cranes or other types of handling equipment. *Munck Cargo Handling Systems.*

Cargo container (RA-4)

A new intermodal container with integrated climate control is designed to preserve fresh fruits and vegetables. Major advantages claimed include: circulation of moist air to minimize dehydration, circulation of cool air that reaches the load center as well as its perimeter, precise control of temperature and humidity, pre-cooling of cargo. Production for sale or lease is scheduled for January. *Weyerhaeuser Co.* and *Cooltainer Systems.*

Piggyback tire (RA-5)

A new motor-vehicle tire has been developed especially for trailers in piggyback and fishyback service. The new line is known as the Hi-Miler trailer tire. It has been designed to combat two major enemies of piggyback trailer tires: age and weather. The new trailer tire joins the manufacturer's Rib Hi-Miler tire, an all-purpose tire for over-the-road trailers. It is available in five sizes, ranging from 900-20 to 11-24.5. *Goodyear Tire & Rubber Co.*

RAILWAY AGE
THE TRANSPORTATION WEEKLY

30 Church Street, N.Y., N.Y. 10007 READERS' SERVICE (Att. J. Lindstrom)

PLEASE SEND ADDITIONAL INFORMATION ABOUT PRODUCTS IN ADVERTISEMENTS NUMBERED: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26

PLEASE SEND INFORMATION ABOUT PRODUCTS DESCRIBED ON PAGE 46 MARKED: RA-1 RA-2 RA-3 RA-4 RA-5

NAME ..... TITLE .....

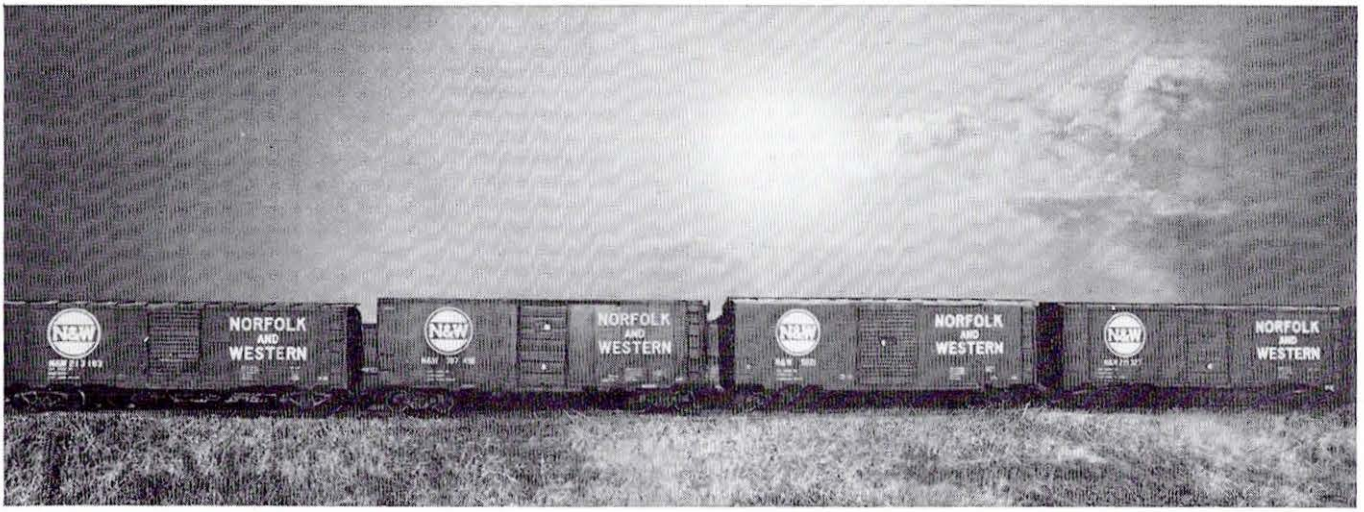
COMPANY .....

ADDRESS .....

CITY ..... STATE ..... ZIP .....

• Inquiries can be processed only if title and company are shown. 1/27/69

WE THINK THE BUSINESS OF A RAILROAD IS TO CONCENTRATE ON BEING ONE.



In fact, at Norfolk & Western it's our golden rule. We know very well how many people count on us as a total distribution system.

We intend to keep their trust.

Nowadays, of course, running a great railroad isn't something you can do in splendid isolation. Inevitably, it leads you into other things.

You acquire real estate, for industrial development. You diversify, to protect your operation through the peaks and valleys of the business cycle.

Fine. All of this enhances your resources for that single-minded job. Running—repeat—a better railroad.

Money talks. And to show you how we think of our job we've put our money where our mouth is. (Again.) Some $117 million of it.

For our business – and yours – we've ordered 5,769 new freight cars. Plus 1,500 new trailers.

This new expenditure now joins the $398 million we've invested in equipment over the last four years alone. ($498 million including road property improvements.)

Our carrying capacity has risen by almost 12%, from 7,026,000 to 7,855,000 tons.

Which is high for a railroad.

The average age of our locomotive fleet has decreased to only 7.9 years.

Which is low for a railroad.

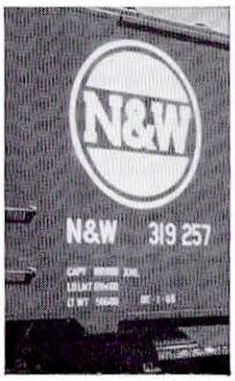
Much of this brand-new rolling stock is oriented toward your new, specialized needs.

All of it is oriented toward our own continuing need, which is to run a railroad the very best way we know how for you.

Your and our Norfolk & Western.

Your business, we think, is going to be better. Because we are minding ours.

Norfolk & Western Railway



WE'VE JOINED FORCES... IT MEANS NOTHING AND EVERYTHING

Here we are, the Gindy of trailer and container fame, hitched to the great Budd Company.

Budd is one of the largest independent body component suppliers to the U.S. automotive industry, a major producer of wheel products, a leading manufacturer of passenger rail and transit cars, and a major producer of plastic and fibre laminates, paper products, and sophisticated metal structures.

So now we can draw on all the strengths of a transportation giant—the sophisticated methods, the corps of engineers, the research, the many resources—

EVERYTHING.

And there you are, a friend and customer, wondering what this means to your relationship with us.

NOTHING.

We're still the same Gindy of trailer and container fame. With the same people. The same way of doing business. Budd wants it that way. They didn't hook up with us to change us.

In other words, things are going to be just like they were around here. Only bigger and better.

Budd / Gindy

MFG Hatch Covers have a four-to-one weight advantage over conventional steel covers. Because they're so light, one man handles them easily.

MATERIAL ADVANTAGES, TOO!

MFG Hatch Covers of molded fiber glass will never rust, corrode, dent, distort or deteriorate. They will withstand repeated slamming without injury. They won't spring out of shape, assuring perfect seals for cargo protection. They contain most corrosive cargoes without damage.

You owe it to your men and equipment to specify MFG Hatch Covers for your new hopper car line. And don't overlook cost advantages on your rebuilding line either. MFG Hatch Covers will pay off in efficiency, permanency and worker morale. Write for details and prices.

MOLDED FIBER GLASS PRODUCTS CO.
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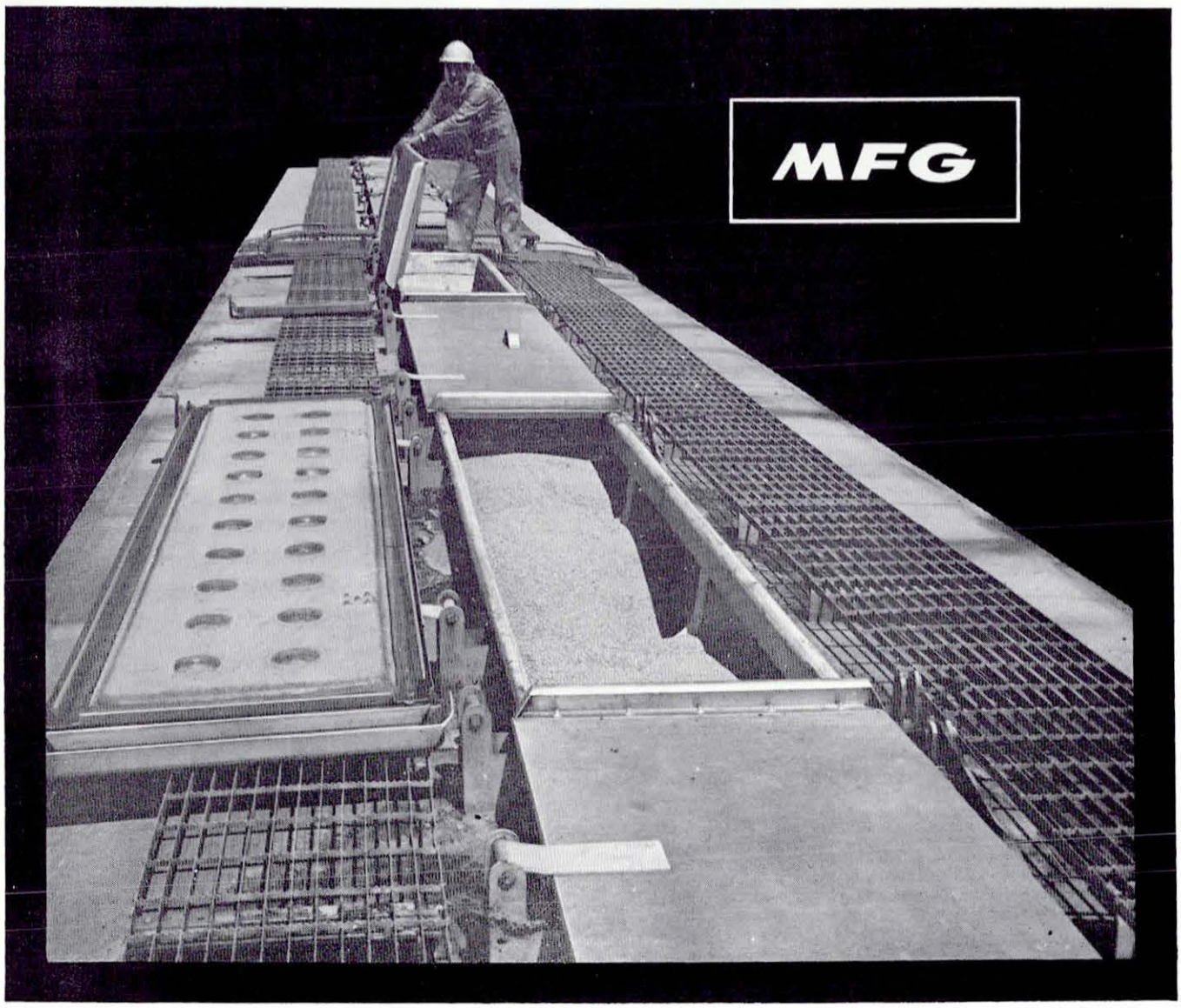
ONE-MAN HATCH COVERS



Role of terminal line is stressed

The transportation industry's customers are buying. As the nation's economy and population grow, they'll be buying even more. They won't spend the transportation dollar, though, for something out of yesterday's sales catalog. Today's shippers want and need "a total transportation service package," Frank Dalieden, Jewel Company general traffic manager, told the Midwest Shippers Advisory Board at its 44th annual meeting.

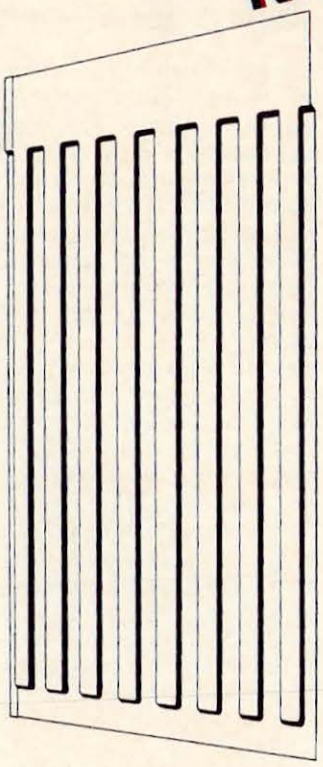
Railroads can provide such a package only "through whole-hearted cooperation with shippers and receivers . . . and terminal lines," he continued. One of six panelists discussing the role of terminal lines in the over-all rail transportation picture, Dalieden added that railroads could improve their service by getting to know their terminal lines better.

If line-haul carriers are to provide the total service which shippers are going to need more and more to remain competitive, then they must not overlook the terminal lines when marketing their services. "Line-haul carriers must realize that when we buy rail services, we buy total service from shipper to receiver," Dalieden stressed. "It is the dependability of this total service with which we are concerned—not simply that segment which moved over the line of a single participating carrier."

Kimberly-Clark, a leading manufacturer of paper, cellulose and forest products, also sees consistent, guaranteed rail services as an essential tool for its production and merchandising systems. J. W. Kachel, traffic manager, Consolidated Papers, Inc., president of the Midwest Shippers Advisory Board and moderator of the six-member panel, reported that he was advised by Kimberly-Clark's traffic manager, John Ringleb, that Kimberly-Clark feels that "reliable switching-line service complements established line-haul service." The "ever-so-many instances of good, reliable transit time" encountered by Kimberly-Clark have been brought about by the coordinated service of two or more railroads, plus the cooperative efforts of the terminal lines involved.

Rail carriers have the potential and the ability to establish and maintain the reliability in transit time that shippers need today, according to Ringleb. Business methods have changed considerably since World War II, he asserted, and carriers of all kinds now form the pipeline between the manufacturer and the consumer. Railroads can strengthen

NEW! GLASBORD® RIB PANELS HIGHLY IMPACT & ABRASION RESISTANT



This all new GLASBORD RIB PANEL is a versatile configuration—precision molded to provide maximum panel strength and a superior surface finish. The configuration is the convolute type as shown by the illustration, and features an easy-to-seal lap joint for simplified installation.

The ribs of the GLASBORD PANEL are wide with plenty of load-holding surface. They are properly spaced for adequate air circulation, yet close enough to hold back even small cartons. These wide ribs with well rounded corners prevent damage to hanging meat carcasses, and easily deflect glancing blows from pallets and fork lifts.

Steam cleaning and immediate cooling to subzero temperatures have no adverse effect on GLASBORD RIB PANELS.

A variety of lengths and widths is available.

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Circle 19 on coupon page 46

Can we show you something in custom-tailored piggyback?

Piggyback—trailers on flat cars—is a great way to trim distribution costs. But to get the most from it, you need a plan tailor-made to your specific needs.

We have a full stock of piggyback patterns and the experts who can help you select the perfect fit for any distribution problem. C&O/B&O Trailer Service Specialists.

So, make an appointment for a fitting—or get our descriptive brochure. Call our local Trailer Service office or write: Vice President, Trailer Service, 2 N. Charles Street, Baltimore, Maryland 21201.

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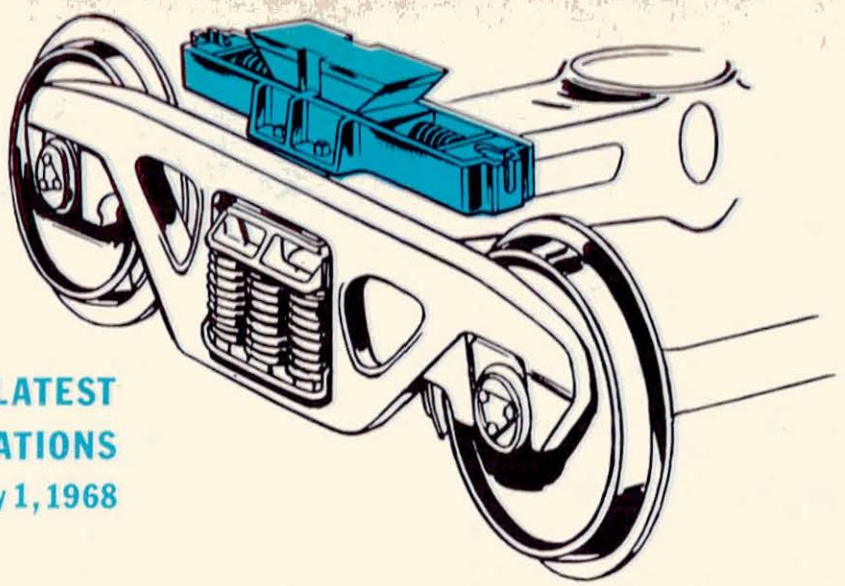
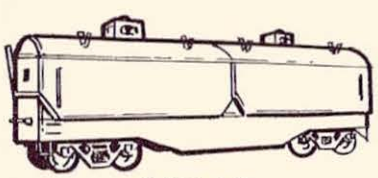


MEETS LATEST AAR REGULATIONS effective January 1, 1968

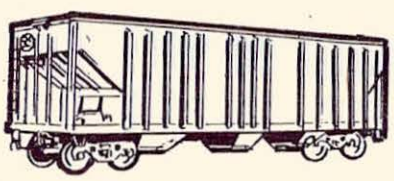
UNITY NO SWAY® SIDE BEARING STABILIZER

AN ENGINEERING CONCEPT THAT NOT ONLY KEEPS YOUR CARS ON THE RAILS, BUT ALSO DRASTICALLY REDUCES DAMAGE TO LADING AND CAR STRUCTURE

SUCCESSFULLY TESTED AND PROVEN ON NUMEROUS RAILROADS AND NOW OPERATING IN CONTINUOUS SERVICE ON THESE AND OTHER CARS

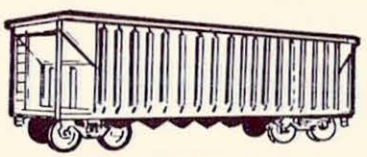


Coil Steel Cars

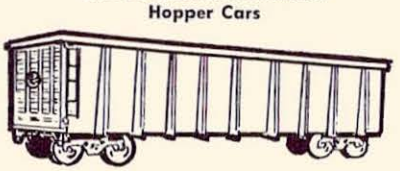


Open Top Hopper Cars

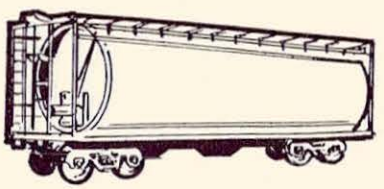
High Cube Auto Parts Box Cars



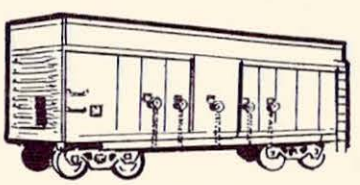
Steel or Aluminum Covered Hopper Cars



Aluminum Gondola Cars



Cylindrical Covered Hopper Cars



Wood Chip Cars

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Circle 25 on coupon page 46

Role of terminal line is stressed

The transportation industry's customers are buying. As the nation's economy and population grow, they'll be buying even more. They won't spend the transportation dollar, though, for something out of yesterday's sales catalog. Today's shippers want and need "a total transportation service package," Frank Dalieden, Jewel Company general traffic manager, told the Midwest Shippers Advisory Board at its 44th annual meeting.

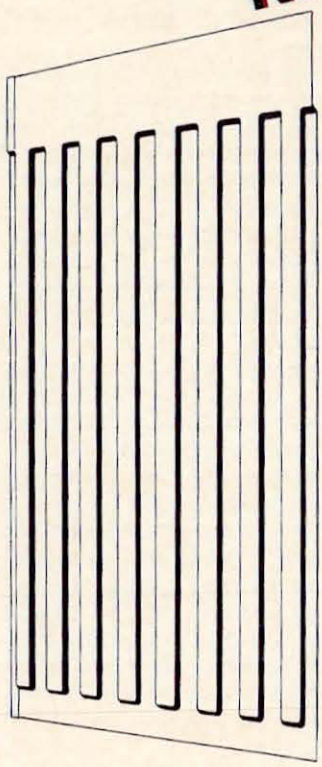
Railroads can provide such a package only "through whole-hearted cooperation with shippers and receivers . . . and terminal lines," he continued. One of six panelists discussing the role of terminal lines in the over-all rail transportation picture, Dalieden added that railroads could improve their service by getting to know their terminal lines better.

If line-haul carriers are to provide the total service which shippers are going to need more and more to remain competitive, then they must not overlook the terminal lines when marketing their services. "Line-haul carriers must realize that when we buy rail services, we buy total service from shipper to receiver," Dalieden stressed. "It is the dependability of this total service with which we are concerned—not simply that segment which moved over the line of a single participating carrier."

Kimberly-Clark, a leading manufacturer of paper, cellulose and forest products, also sees consistent, guaranteed rail services as an essential tool for its production and merchandising systems. J. W. Kachel, traffic manager, Consolidated Papers, Inc., president of the Midwest Shippers Advisory Board and moderator of the six-member panel, reported that he was advised by Kimberly-Clark's traffic manager, John Ringleb, that Kimberly-Clark feels that "reliable switching-line service complements established line-haul service." The "ever-so-many instances of good, reliable transit time" encountered by Kimberly-Clark have been brought about by the coordinated service of two or more railroads, plus the cooperative efforts of the terminal lines involved.

Rail carriers have the potential and the ability to establish and maintain the reliability in transit time that shippers need today, according to Ringleb. Business methods have changed considerably since World War II, he asserted, and carriers of all kinds now form the pipeline between the manufacturer and the consumer. Railroads can strengthen

NEW! GLASBORD® RIB PANELS HIGHLY IMPACT & ABRASION RESISTANT



This all new GLASBORD RIB PANEL is a versatile configuration—precision molded to provide maximum panel strength and a superior surface finish. The configuration is the convolute type as shown by the illustration, and features an easy-to-seal lap joint for simplified installation.

The ribs of the GLASBORD PANEL are wide with plenty of load-holding surface. They are properly spaced for adequate air circulation, yet close enough to hold back even small cartons. These wide ribs with well rounded corners prevent damage to hanging meat carcasses, and easily deflect glancing blows from pallets and fork lifts.

Steam cleaning and immediate cooling to subzero temperatures have no adverse effect on GLASBORD RIB PANELS.

A variety of lengths and widths is available.

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Can we show you something in custom-tailored piggyback?

Piggyback—trailers on flat cars—is a great way to trim distribution costs. But to get the most from it, you need a plan tailor-made to your specific needs.

We have a full stock of piggyback patterns and the experts who can help you select the perfect fit for any distribution problem. C&O/B&O Trailer Service Specialists.

So, make an appointment for a fitting—or get our descriptive brochure. Call our local Trailer Service office or write: Vice President, Trailer Service, 2 N. Charles Street, Baltimore, Maryland 21201.

THE C&O/B&O RAILROADS Cleveland 44101 • Baltimore 21201

Circle 20 on coupon page 46

their position on the transportation scene by working "for the good of the industry, putting aside individual interests when joint efforts will provide better overall results," he added.

Panelist Donald C. Mean, district traffic manager, Youngstown Sheet & Tube Company, reported that the East Chicago, Ind., plant of the nation's eighth-largest steelmaker could not survive without the daily services of its switch carriers. Still, the lower rail switching rates in the Chicago area notwithstanding, the greatest percentage of steel tonnage in the district moves by truck.

There are many frustrating, agonizing things that can crop up to cause plans for rail shipments of steel products to go awry, Mean said. For instance, a car ordered in for loading may be bad-ordered, perhaps full of refuse —something that cannot be detected until the hood (of a gondola car) is removed. There are times when the loading crews can't even go that far in checking the loading condition of the car because the hood may be jammed. There are times, too, Mean added, when the shipper himself will prevent a rail shipment from following an orderly path from manufacturing facility to consumer. He may encounter production problems which, although a top-grade car is ready and awaiting loading, will delay delivery. Whether guilty or not, the railroads stand to suffer. When service fails, the tonnage is driven to trucks, or failure causes a customer to cancel his order or change his buying source, or all three and more, Mean added.

He cited the "lack of cars to load the product" as the greatest single disaster that can hit a shipper, and while the switching lines serving the East Chicago plant normally perform admirably, there are failures which, in the final analysis, hurt general railroad operations. Railroads also suffer at the hands of time when competing with the truckers. But piggyback is narrowing this time gap considerably.

In the area of facility improvements, William Booth, superintendent, Baltimore & Ohio Chicago Terminal, told the MSAB members that his line "has kept astride with the fastest growing segment of the railroad business, piggyback, by constructing a trailer-handling facility at 78th Street and Oakley Avenue in Chicago." This facility, constructed at a cost of $3.5 million, has a capacity for 200 large flat cars on a total of 12 unloading tracks. It is equipped with two large straddle cranes each of which can unload a trailer in as little as 1½ minutes.

B&OCT's largest freight yard, Barr Yard, located in Riverdale on the southern border of Chicago, has a capacity for 4,000 cars. To speed the accurate movement of cars and thereby provide better service for shippers, it is fully computerized. All inbound and outbound cars are listed on the computer, which furnishes car records, advance consists of trains dispatched from all the yards in the Chicago terminal. Furthermore, it provides up-to-the-minute information for computation of demurrage and detention charges, and gives advance consists of B&O westbound trains into Chicago.

Like the B&OCT and Indiana Harbor Belt, the Belt of Chicago has been modernizing and improving its facilities in recent years. Due to go into service momentarily is an IBM 360 Model 30 computer which Belt officials see as a tool for improving overall operations.

Commenting on the Belt's 102-day strike in 1968, Don Turner, vice president and general manager, said that it caused his line to "lose approximately $5 million in switching charges, and non-Brotherhood of Railroad Trainmen employees had to forego payroll checks amounting to approximately $2.5 million." Belt customers also were caused inconvenience and added transportation expense. ■

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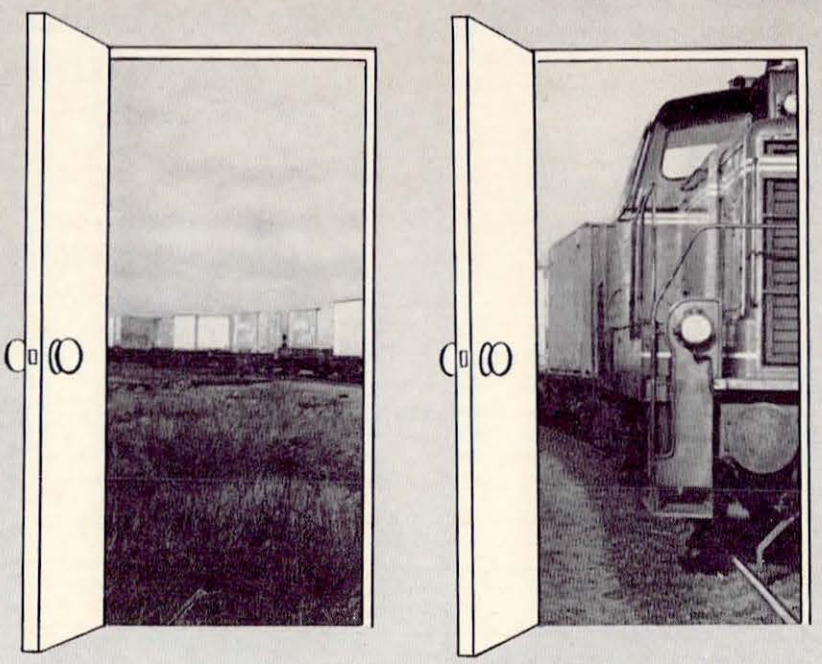

When the subject is freight we speak your language to cut time, labor costs and handling delays. Perfect transportation coordination via numerous dockside facilities and inland terminals throughout Germany and all Europe assures fast, direct service. Any load—containerized or bulk, large or small—is a door-to-door shipment when it rides GERMANRAIL. Call on us . . . you'll like our accent!

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Joachim Wenzel, General Representative

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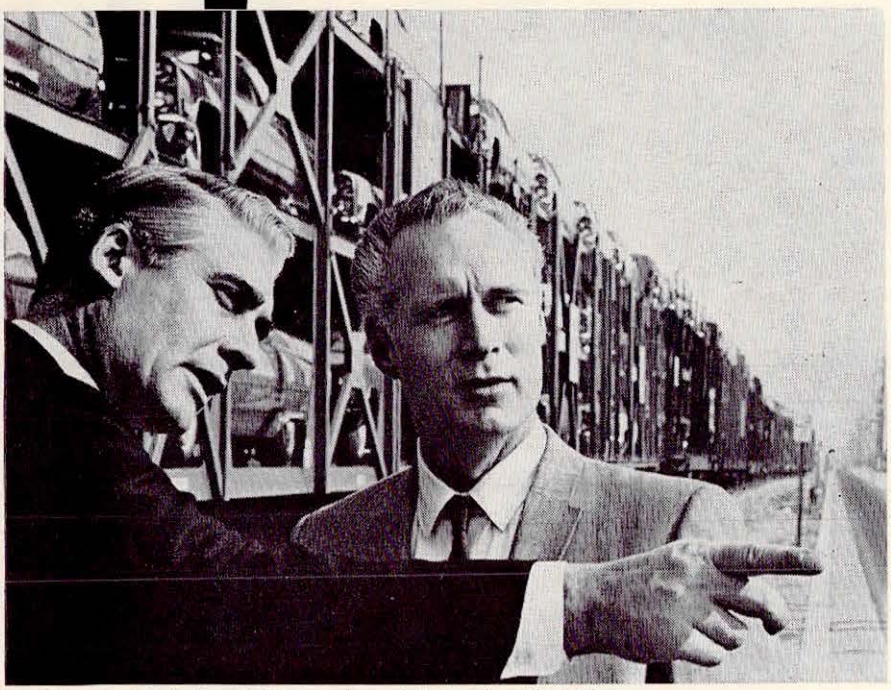
R&D to help you helps us.



The Autoveyor. A Santa Fe original. It caused a revolution in automobile distribution.

That's why we work harder to make your ideas work.

Research and development is an integral part in every modern business system. At Santa Fe we have a staff of specialists in marketing and technical research, traffic and cost analysis, operations, engineering and industrial development, all working closely with their counterparts at our customers.

This teamwork develops better ways to apply transportation to the planning of your new products. It means more efficient distribution methods. New ideas for pricing freight movement. And opens new areas for plant site locations.

In other areas of R & D, Santa Fe is expanding a microwave network for super-fast communications. Third generation computers are updating procedure programs. Terminal facilities are being automated. Simulated programs are testing more effective use of diesel power and faster schedules. Freight cars are being built to larger size, for special cargoes.

Our truck fleet is being more closely coordinated to provide expanded service by highway and rail for Piggy-Back and Container shipments.

One of our new pipeline installations is now in operation and another is under construction.

Research and development that helps you, makes Santa Fe a better transportation system. What better reason could you have to be assured that we go all out to make your R & D ideas successful.

Below you'll see a few of the innovative ways R & D is working on the Santa Fe.

Santa Fe and its subsidiary companies continue a multimillion dollar improvement program with $190-Million capital expenditure for 1969.

This program includes: 2600 new freight cars; 90 road freight diesels, 25 remote locomotive control units, 1200 trailers for Piggy-Back and 100 chassis for containers, 417 more miles of welded rail and a new 31 mile spur track to serve recently discovered sulphur deposits in West Texas.

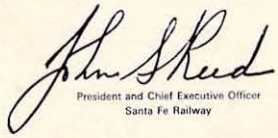
Millions are being invested in terminal improvement at Kansas City, which includes a new automatic freight classification yard to be completed and placed in service during 1969.

Further expansion will be made in diesel shops, new Piggy-Back and freight terminals in Texas and California, also new automobile handling facilities at Chicago.

Our 1969 expenditure program includes $39-Million for completion of the 2,000-mile Gulf Central pipeline scheduled to start operation in mid-summer of 1969, transporting anhydrous ammonia from Louisiana to Corn Belt states.

Additional land purchases for industrial development are planned at a number of points on the Santa Fe.

All of this program keeps Santa Fe up-to-date as a more efficient transportation system and contributes to our plans for researching and developing ideas to better serve our customers.



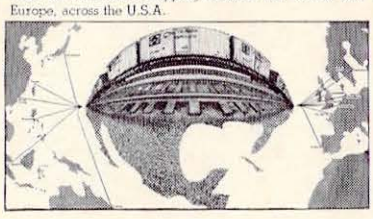
President and Chief Executive Officer
Santa Fe Railway

Santa Fe

Please don't think of us as just another railroad...
Santa Fe is the moving part of your marketing arm.

Super C. The world's fastest freight train takes 40 superquick hours to move Piggy-Back and Container freight between Chicago, Kansas City and Southern California. With 99% on-time performance, since it began early in 1968.

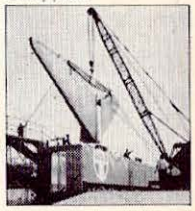
The Land Bridge. Santa Fe designs the fastest, most direct route for intermodal shipping between the Orient and Europe, across the U.S.A.



The Blizzard Box. A deep freeze on wheels. It carries perishables by rail, highway and ship to and from overseas points.

The Unit Train. Santa Fe's York Canyon Special. A 100-car train, moving coal to a Southern California steel plant on a precision schedule. (And we're working on a similar operation for a Texas sulphur mining company.)

The Astro Box. This important R & D project moves giant airplane sections between assembly plants.



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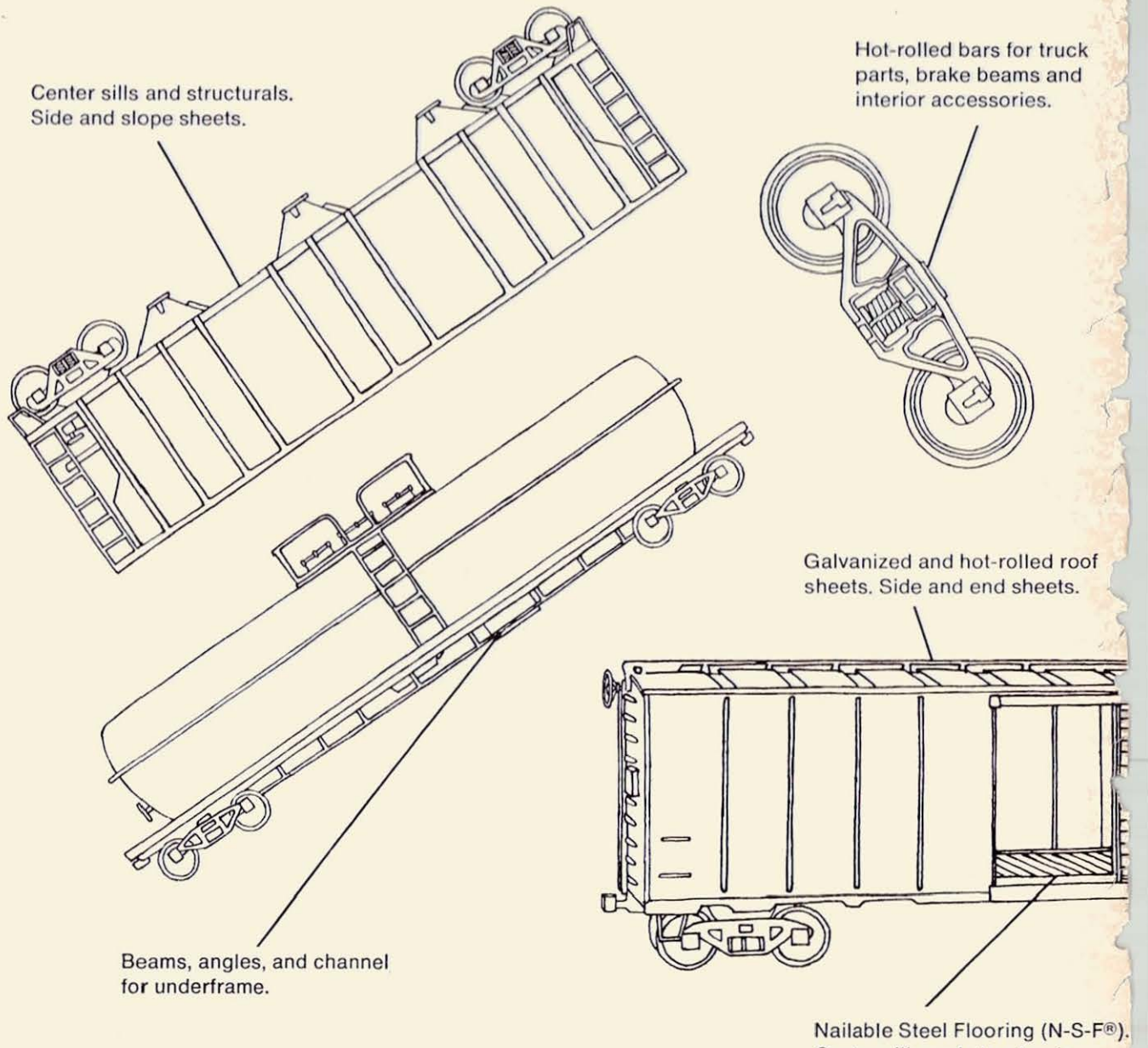
Five big under


Center sills and structurals.
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Galvanized and hot-rolled roof sheets. Side and end sheets.
Beams, angles, and channel for underframe.
Nailable Steel Flooring (N-S-F®).
Center sills and structurals.

stores one roof.

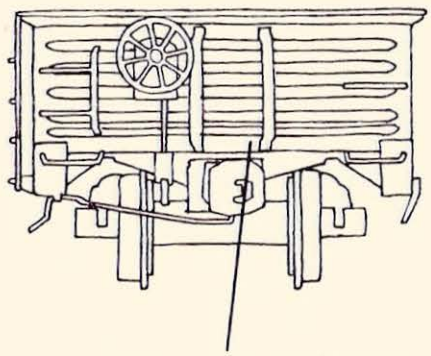
Welcome to the shopping center for freight car builders: our Transportation Products Division.

This one division now represents the railroad products of National Steel's five producing divisions: Weirton Steel, Great Lakes Steel, Midwest Steel, Stran-Steel and Hanna Furnace.

And the men representing this division, this shopping center, know much more than steel. They know the ins and outs of railroading.

So look over our selection. Keep it in mind. And if you should ever decide you need something that nobody yet supplies, let's get together and talk it over.

One railroad man to another.



Plates and sheets for ends and sides. Center sills and structurals.

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TRANSPORTATION PRODUCTS DIVISION

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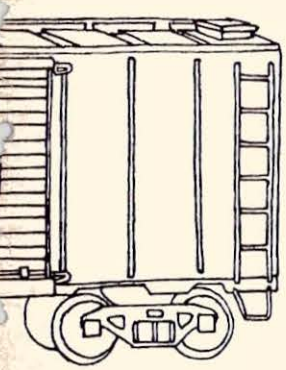

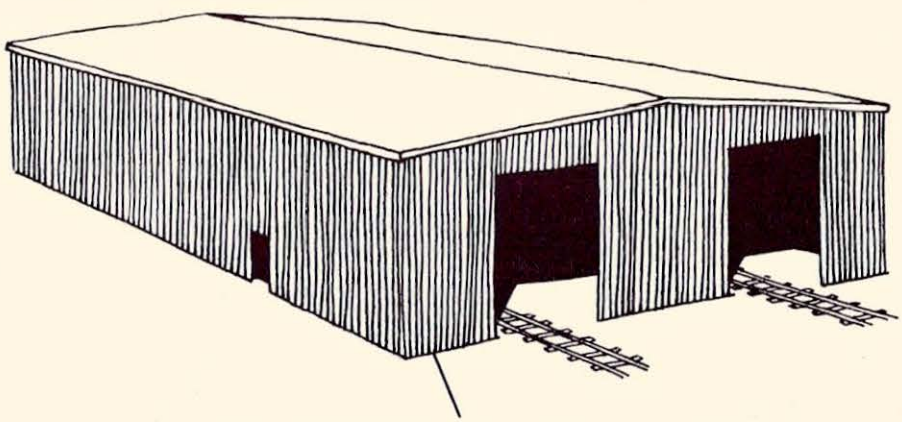

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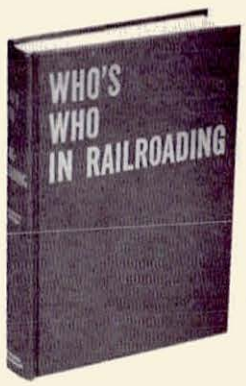
Know your man!

How pleased you are when somebody knows who you are, where you've been, what you're doing! How pleased other people are when you know something about *them!*

You'll find the new 1968 edition of "Who's Who in Railroading" a gold mine of information about many a man important to you:



- His present title or position
- His business address and home address
- His age, marital status, family
- His career—including railroad, professional, military
- His technical society memberships, public offices held, books and articles written
- His education, clubs, fraternity

"Who's Who in Railroading" contains 6,000 entries—of which 1,500 are new in this new 16th edition. They include railroad executives, leaders in the railroad equipment and supply industries, railroad labor leaders, members of regulatory bodies, ICC personnel, transportation economists, specialists in railroad finance.

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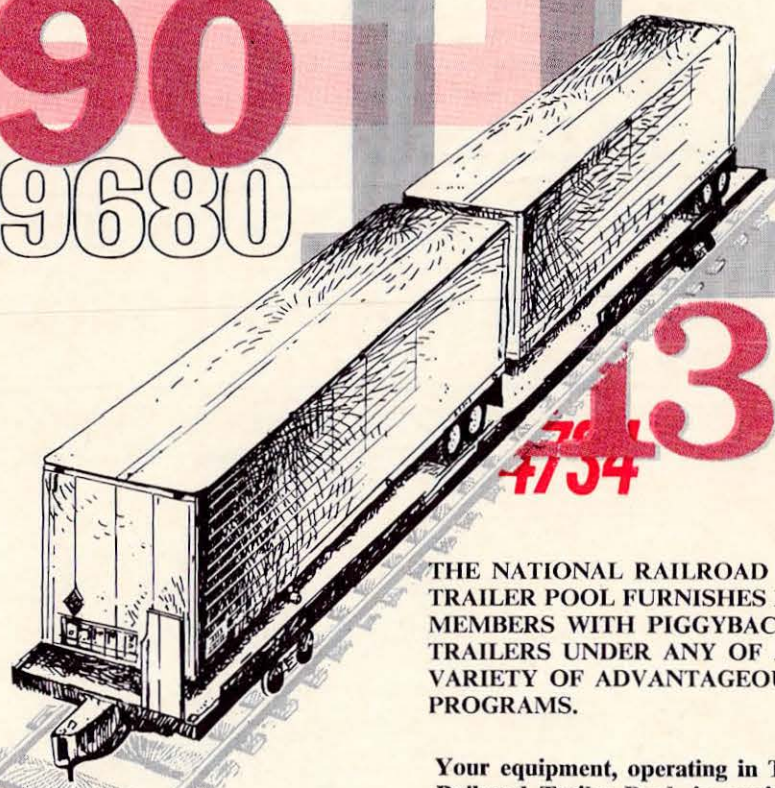

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THE NATIONAL RAILROAD TRAILER POOL FURNISHES ITS MEMBERS WITH PIGGYBACK TRAILERS UNDER ANY OF A VARIETY OF ADVANTAGEOUS PROGRAMS.

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REALCO keeps pace with its fleet growth through reinvestment in expanded services, including additional Mobile Service Units and permanent trailer repair shops.

Thus, members continue to benefit from expansion and resulting economies.

Go ahead and play a numbers game, but look beyond the numbers and make sure you get what you pay for.

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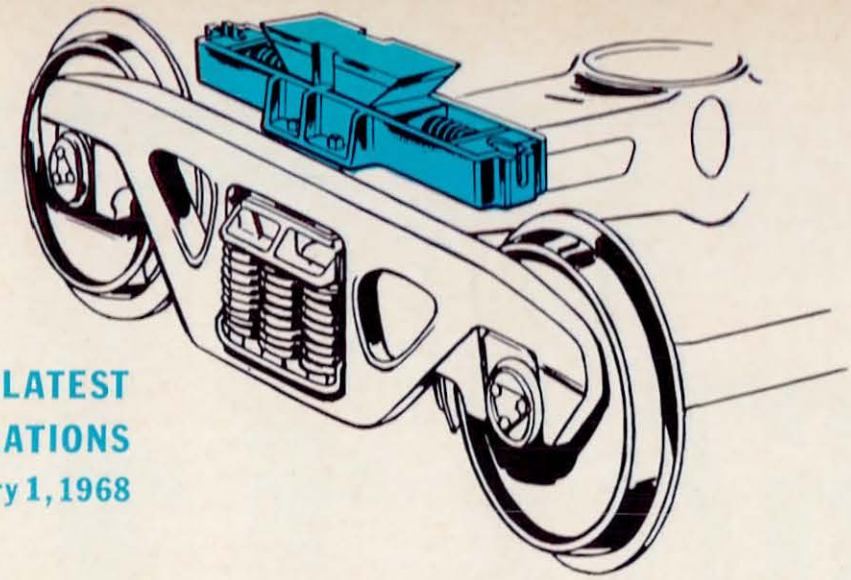

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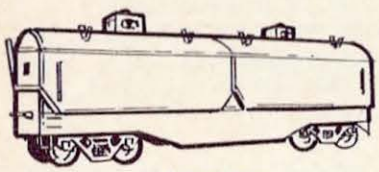
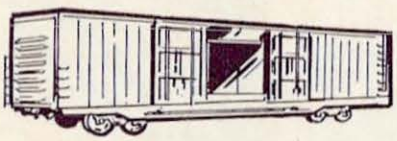
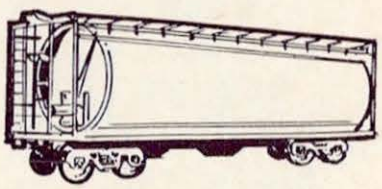


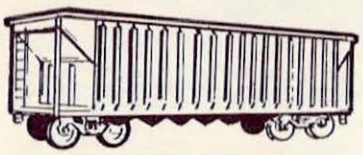
Coil Steel Cars



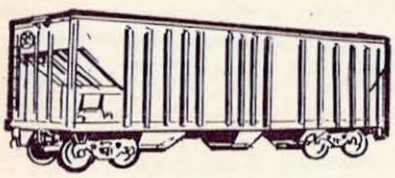
High Cube Auto Parts Box Cars



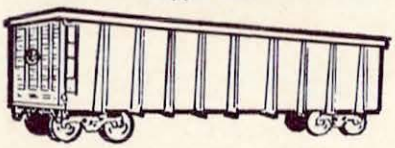
Cylindrical Covered Hopper Cars



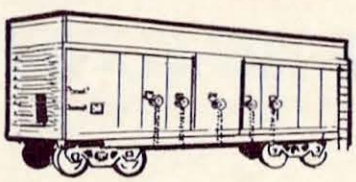
Steel or Aluminum Covered Hopper Cars



Open Top Hopper Cars



Aluminum Gondola Cars



Wood Chip Cars

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CHICAGO, ILLINOIS 60604

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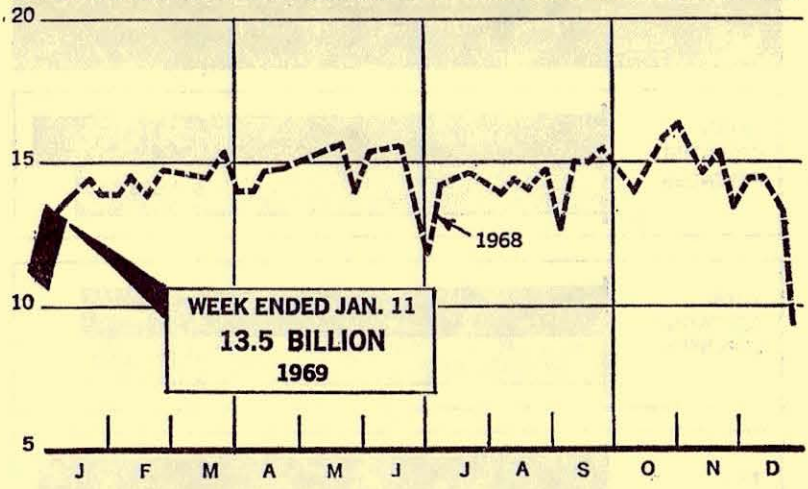
RAIL FREIGHT TRAFFIC TRENDS

BILLION TON MILES (Estimated)



Source: Association of American Railroads

SHIPMENTS OF RAILROAD STEEL PRODUCTS

(NOVEMBER AND FIRST 11 MONTHS 1968)

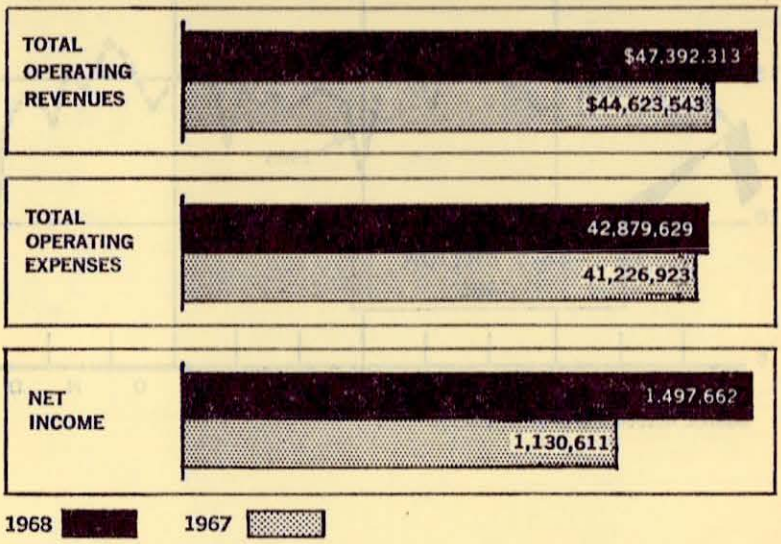
	NET TONS			
	November	Per Cent Change*	Eleven Months	Per Cent Change*
Rails, trackwork and equipment	62,604	+33.3	884,703	+8.1
Freight and passenger cars and locomotives	166,423	−7.1	1,834,415	−13.1
Street railways and rapid transit systems	5,916	−1.[illegible]	76,464	+49.3

*Per cent change compares 1968 periods with like 1967 periods.
Source: American Iron and Steel Institute.

Current Statistics

Net income, Class I roads	
Nine months, 1968	$386,000,000
Nine months, 1967	342,200,000
New freight cars on order	
Dec. 1, 1968	26,934
Dec. 1, 1967	21,816
New freight cars delivered	
11 mos., 1968	51,692
11 mos., 1967	77,612
Serviceable cars	
Dec. 1, 1968	1,385,269
Dec. 1, 1967	1,414,632

FREIGHT FORWARDERS—SELECTED STATISTICS
(THREE MONTHS ENDED JUNE)



Source: Bureau of Accounts, ICC. Compiled from 62 quarterly reports of forwarders with annual gross revenues of $100,000 or more.

NEW ORDERS FOR MACHINE TOOLS*

	November 1968 ($000)	November 1967 ($000)	11 mos. 1968 ($000)	11 mos. 1967 ($000)
Metal cutting tools	98,750	77,450	970,350	1,046,600
Metal forming tools	80,000	23,600	355,000	253,400

MACHINE TOOL SHIPMENTS*

	November 1968 ($000)	November 1967 ($000)	11 mos. 1968 ($000)	11 mos. 1968 ($000)
Metal cutting tools	104,350	114,250	1,228,950	1,215,800
Metal forming tools	25,950	34,550	330,100	413,300

*Including foreign and domestic.
Source: National Machine Tool Builders' Association.

MARKET OUTLOOK

CARLOADINGS

Loadings of revenue freight in the week ended Jan. 18 totaled 522,820 cars, the Association of American Railroads announced on Jan. 24. This was an increase of 25,803 cars, or 5.2%, compared with the previous week; an increase of 18,039 cars, or 3.6%, compared with the corresponding week last year; and a decrease of 5,504 cars, or 1.0%, compared with the equivalent 1967 week. Ton-miles generated by carloadings in the week ended Jan. 18 are estimated at 14.3 billion, an increase of 4.0% above the corresponding week of 1968, and 4.3% above the 1967 week.

REVENUE FREIGHT CARLOADINGS

Commodity	Jan. 11 week	Preceding week	Per cent change
Grain	20,408	14,141	+44.3
Farm products	19,279	15,794	+22.1
Metallic ores	15,378	13,814	+11.3
Coal	97,512	84,747	+15.1
Crushed stone, gravel & sand	20,164	17,353	+16.2
Nonmetallic minerals	9,645	7,799	+23.7
Grain mill products	19,810	15,954	+24.2
Food & kindred products	24,953	19,325	+29.1
Primary forest products	24,884	19,449	+27.9
Lumber & wood products (except furniture)	14,649	11,140	+31.5
Pulp, paper & allied products	23,255	19,137	+21.5
Chemicals & allied products	27,580	23,618	+16.8
Petroleum products	12,589	10,789	+16.7
Stone, clay & glass products	17,485	16,093	+ 8.6
Coke	7,929	6,476	+22.4
Metals & products	26,503	22,931	+15.6
Motor vehicles & equipment	23,859	17,755	+34.4
Waste & scrap materials	13,215	9,930	+33.1
Forwarder & shipper association traffic	6,206	4,502	+37.8
All other carloads	69,739	61,765	+12.9
LCL traffic	1,975	1,627	+21.4
Total cars loaded	497,017	414,139	+20.0
CUMULATIVE TOTAL, TWO WEEKS	1969	1968	1967
	911,156	907,109	993,879

PIGGYBACK CARLOADINGS

U. S. piggyback loadings for the week ended January 11 totaled 22,504 cars, carrying 36,906 trailers, compared with 22,257 cars, carrying 36,350 trailers, in the corresponding 1968 week. Loadings for 1969 up to Jan. 11 totaled 39,988 cars, carrying 65,554 trailers compared with 40,509 cars, carrying 66,339 trailers, in the corresponding period of 1968.

FREIGHT-TRAIN CARS

● *Pacific Fruit Express.*—An order for 700 refrigerator-car cooling/heating systems, for installation on cars being built by Pacific Car & Foundry for Pacific Fruit Express, has been placed by PC&F with Carrier Air Conditioning Co.

● *December 1968 bad order ratio same as 1967.*—Class I roads on Dec. 1, 1968, owned 1,460,932 freight cars, 30,817 less than on Dec. 1, 1967, according to AAR report summarized below. Bad order ratio remained the same.

	Dec. 1, 1968	Dec. 1, 1967	Change
Car ownership	1,460,932	1,491,749	−30,817
Waiting repair	75,663	77,117	− 1,454
Repair ratio	5.2%	5.2%	0

CAPITAL SPENDING

● *Illinois Central.*—$72-million improvements budget for 1969 will include $26.9 million for 23 diesel-electric locomotive units for freight service; 800 box cars; 100 covered hopper cars; 600 100-ton open-top hopper cars; 100 wood chip cars, and 50 cabooses. IC had previously announced plans to build 600 open-top hopper cars (RA, Dec. 9, 1968, p. 33).

NEW FACILITIES

● *Canadian National.*—Ordered 90,000 tons of steel rail from the Sysco Corp., Sydney, N.S., at a cost of approximately $3 million for use in CN's 1969 track program.

● *Illinois Central.*—Will begin in 1969 a major five-year program covering new shop and yard construction. Biggest single project will be construction of eight shop buildings for car and locomotive maintenance at Markham Yard, near Chicago. Markham shops will handle work now being done at IC's Burnside shops, soon to be vacated, and at other points on the system. Plans for '69 include construction of a one-spot car-repair facility at Markham, as well as at Centralia, Ill., and Waterloo, Iowa. Yard projects this year will include development of crane-equipped TOFC/COFC facilities at Chicago and East St. Louis.

PASSENGER-TRAIN CARS

● *Chicago & North Western.*—Ordered eight air-conditioned, bi-level suburban-service coaches from Pullman-Standard at a cost of about $1.5 million. Deliveries are scheduled for autumn.

PIGGYBACK

● *Rail-Trailer.*—Ordered 600 40-ft. piggyback trailers from Fruehauf at a cost of about $3 million. The trailers will be placed in a per-diem pool operated at six major eastern and midwestern rail centers by T.O.F.C., which is jointly owned by Rail-Trailer and seven motor carriers.

YOU OUGHT TO KNOW

Shoemaker hits non-transport diversification

Perry M. Shoemaker, a former railroad president who is now a transportation consultant operating out of Tampa, Fla., is a man with strong views on mergers, common ownership of transport modes, and non-transport diversification. At American University's 23rd Railroad Management Institute in Washington, these views came through strong and clear. (1) Shoemaker thinks the ICC ought to work with industry leaders in developing merger plans that will safeguard smaller carriers and not leave unaffiliated roads exposed to "economic condemnation." (2) He thinks the industry's fight for the right to diversify into other modes has a good chance of succeeding. (3) "But conglomerates built around unrelated business enterprises are something else. Self-initiated railroad diversification into non-transportation and non-transportation related activities is an adventure in defeatism incompatible with a private enterprise system."

Halifax/Nova Scotia to give shippers new low rate

Nova Scotia and the historic port city of Halifax are financing a crown corporation that is expected to take a good portion of St. Lawrence Seaway tonnage and place it on the rails. The corporation will do it by leasing space on high speed unit trains of Canadian National to shippers at a lower rate than what otherwise would be available. The new low rate will also give Halifax a door to door shipping cost which for the first time is competitive with Montreal. Expected to begin in July, the new container service, according to Dr. T. J. McKeough, Nova Scotia minister of trade and industry, will be extended within a year to Detroit and Chicago.

Fast trains get priority in New England study

The long-awaited report of the Systems and Analysis Research Corporation of Cambridge, Mass., on the transportation needs of New England is now on the public record—and it makes good reading for advocates of steel wheels on steel rails. The 340-page study, prepared for (but not yet endorsed by) the New England Regional Commission, says the area's single most urgent need is for high-speed train service between New York and Boston—a minimum of 10 trains daily on a 2½-hour schedule. The report proposed equipment similar to the electric Metroliners now running between New York and Washington, but suggested incorporation of the suspension device used in the TurboTrains now being readied for test service between Boston and New York. Such train service, among other things, would permit the building of a coastal supersonic airport between the two cities, the report said.

Railroads still prime carrier of military freight

Railroads in 1968 maintained a comfortable lead over truckers and airlines in military freight haulage. Figures released by the Military Traffic Management Service show a total fiscal '68 bill of $599.1 million for commodities shipped in the U.S. on Department of Defense bills of lading. Of this, $296.9 million went for rail shipments, $249.3 million for motor-carrier shipments and $14.4 million for air shipments. Corresponding figures for 1967 were $254.6 million, $226.1 million and $14.2 million.

FOR THE RECORD

Because of a printer's error, two locomotive orders listed on page 91 of the Jan. 20 Railway Age were credited to the wrong manufacturers. The Korea National Railways' order for 20 diesel switching units was actually placed with the Electro-Motive Division of General Motors, not MLW-Worthington. The Indian State Railways' order for 30 general purpose diesel units was placed with MLW-Worthington, not EMD.

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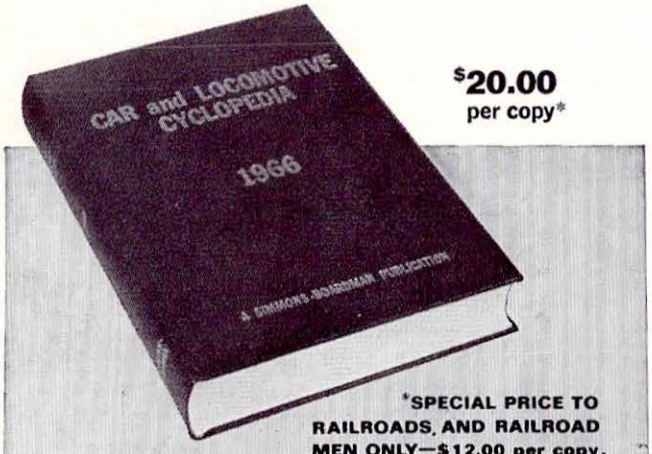

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VIEWPOINT

So much at stake—and so little attention being paid...

The fireman-fight has exploded once again upon the American scene. But, like it or not, the sound of the explosion can only be compared with the sound of a soggy noodle falling onto a damp sponge from a height of approximately three inches.

The fireman-fight is serious business. It involves a union effort to force the use of employees in jobs which board after impartial board has ruled obsolete and redundant and so forth. It involves, the railroads estimate, potential extra costs of $200 million which the public will ultimately have to pay if the union wins.

As of mid-January, the fireman-fight moved into a new stage. Mediation efforts were deemed a failure. Arbitration was proposed. The railroads accepted. The railroads then attempted to call the public's attention to the situation. After all, if the union rejected arbitration, a kind of crisis-clock would start ticking away, and in 30 days there could be a railroad strike, nationwide or otherwise.

The union, for its part, was in no hurry to reply to the arbitration proffer. There were reports that some statement would come on the day the railroads announced their acceptance, Jan. 17. No such statement was made. As of Wednesday, Jan. 22, the only comment from the union—the Brotherhood of Locomotive Firemen & Enginemen, now part of the United Transportation Union—was to the effect that the proffer had been "referred to the authoritative bodies of the organization for decision."

So, for the news media—the informers of the public—there were two factors to consider. First, the railroads had accepted arbitration. Second, the BLF&E had neither accepted nor rejected the proffer. It was true, as the railroads said, that the union had "historically" rejected arbitration. Newsmen, perhaps recalling that the National Football League team had "historically" won the Super Bowl, seemed hesitant to do any limb-crawling. Result: The story of the fireman-fight remains largely untold, though the railroads—through the National Railway Labor Conference—put an impressive amount of information, current and background, at the disposal of the media.

In all probability, the media erred in not giving more play to the situation as it existed Jan. 17, with or without a statement from the BLF&E. A betting man would probably have put it 100-to-1 against the union's accepting arbitration. The cry of "crisis" seemed a safe one.

"DOES ANYBODY GIVE A DAMN?"

In arguments of this kind, however, the media can't lose. So the exploration, the asking "Why?" has to go deeper. Questions occur: Did the railroads loose the broadside too soon? Did the union score a tactical victory, by shunning an immediate reply? Unfortunately, far more probing questions than those also occur: Is the public, as represented by the media, fed up with twice- and thrice-told tales of railroad labor wars, no matter how important? Does the public, as represented by the media, see any cause to stir itself for "another rail labor crisis"? Or, as a colleague put it, plaintively: "Does anybody give a damn about railroads?"

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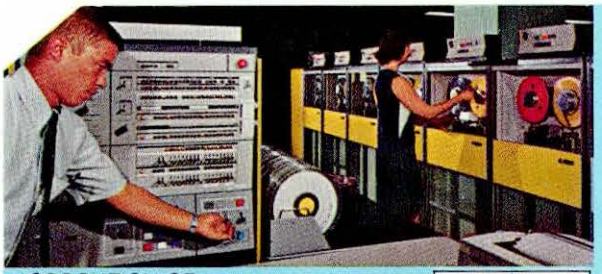

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